THE HISTORY OF THE FOUNDATION OF THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

BY
SIR SYDNEY CAINE, K.C.M.G.

THE LONDON SCHOOL OF ECONOMICS
AND POLITICAL SCIENCE
(UNIVERSITY OF LONDON)

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THE London School of Economics has always attracted controversy and among the other things about it on which people have held diverse views have been the precise circumstances of its origin. Was it a socialist foundation or was it, on the contrary, the result of the misuse of money intended for socialist propaganda? Was the Hutchinson Trust, with Sidney Webb as Chairman, the sole source of the funds which started the School or simply one of a number of contributors? The recent discovery of the very full original records of the Trust, largely in Webb's own writing, has enabled the present Director of the School to retell the story fully and authoritatively and to show, first, the key part played in all the School's early years by the Trust; secondly, the care Webb and his fellow Trustees took to keep to the terms of the Trust; and, thirdly, how wide and far-seeing were Webb's recorded intentions from the very start.

Besides being of interest to all who are interested in the London School of Economics for its own sake, the book is a contribution to social history, spelling out in detail how an important educational institution got started by individual effort, how it attracted public support and how it grew.

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SIDNEY WEBB IN 1891

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BY

SIR SYDNEY CAINE, K.C.M.G.

Director of the London School of Economics

THE LONDON SCHOOL OF ECONOMICS
AND POLITICAL SCIENCE
(*University of London*)

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PREFACE

I HAVE tried in this small book to do no more than its title describes, to tell the story of how the London School of Economics and Political Science was established. In doing that, I have taken the story up to the date, in 1901, when the School became really firmly established by becoming a constituent part of London University, by achieving corporate status and by acquiring a permanent building of its own. I have also dealt with the founding of the British Library of Political Science, the School's essential complement. I do not pretend to have written the full history of the School up to the year 1901; I have been concerned only with the methods and procedures by which it was founded and consolidated.

That story, I believe, is worth telling in great detail for its own sake; but it is also of interest as an example of how an institution can be created by individual enterprise and faith. The achievement was certainly remarkable. There is no evidence that before 1894 anyone—Sidney Webb included—had seriously thought of creating an institution in London devoted entirely to research and teaching in what we now call the social sciences; but in 1895 it started work amid general acclaim and within five years was accepted as worthy of inclusion from the start in the reconstituted University of London, indeed as in effect the controlling body in its sphere of study. Internationally its reputation grew almost equally fast and students have been coming to it from almost every country of the world for the greater part of its history; today its former students include men and women who are, or have been, Prime Ministers, Finance Ministers, Foreign Ministers, Governors of Central Banks, heads of commercial and financial institutions and, of course, teachers of the social sciences spread all across the globe. The start of such a success story is certainly worth studying.

The story has been told before, but not in the full detail which is now possible. I have been particularly indebted to

Professor Hayek's article in *Economica* (February 1946) on 'The London School of Economics, 1895–1945' and to Lady Beveridge's *An Epic of Clare Market* (G. Bell and Sons Ltd., 1961). I have also had the pleasure of reading—and permission to quote from—an unpublished thesis by Mr. R. F. Brennan on the educational work of the Webbs. My advantage over all these and other writers has been that I had access for the first time to the detailed records of the Hutchinson Trust, grants from which provided the initial finance for the School. Those records were only rediscovered in 1960 and it is only with this help that we can see clearly the essence of the processes by which Sidney Webb achieved his great work of founding this institution.

As well as the other writers mentioned, I am indebted to Mr. C. G. Allen, of the British Library of Political Science, for help in tracing various manuscripts in the Passfield Papers and elsewhere, to the British Museum and the Public Record Office for access to relevant correspondence of Mrs. Bernard Shaw, and to Mr. A. N. Whiston for access to correspondence between Sidney Webb and the lawyer who dealt with the affairs of Mr. Henry Hunt Hutchinson after his death.

S. C.

CHAPTER 1

INTRODUCTION

THE story of the founding of the London School of Economics is at once well-known and obscure. That it was the work of the Webbs and above all of Sidney Webb is unquestionable, and that initial funds were obtained from a bequest from an eccentric member of the Fabian Society, Mr. Henry Hunt Hutchinson, has long been understood; but its precise *modus operandi* has been somewhat of a mystery. For that Webb himself was responsible. The Hutchinson money was never mentioned in the School's early announcements and Webb later gave two different and irreconcilable accounts of what happened. There was a picturesque story of how he and Beatrice conceived the idea of the School immediately on hearing of the Hutchinson bequest and discussed it over breakfast with Bernard Shaw and Graham Wallas at Borough Farm in Surrey; and there was the politic story, developed at length in correspondence with the Vice-Chancellor of London University in 1903, of how they had long thought of such an institution and gathered together resources from a variety of sources including the L.C.C. and Lord Rothschild. A body calling themselves the Hutchinson Trustees, as Webb described the Trust, of which he himself was Chairman, with its dubious Fabian associations, was mentioned only among other subscribers.

The first record of what I have called the picturesque story is to be found in an entry in Beatrice Webb's diary written a little while after the event which reads as follows:

> An odd adventure! A few weeks ago Sidney received a letter from a Derby solicitor informing him that he was left Executor to a certain Mr. Hutchinson. All he knew of this man (whom he had never seen) was the fact that he was an eccentric old gentleman, member of the Fabian Society, who alternately sent considerable cheques and wrote querulous letters about Shaw's rudeness or some

other fancied grievance he had suffered at the hands of some members of the Fabian Society. 'Old Hutch' had however been a financial stay of the Society and the Executive was always deploring his advancing age and infirmity. When Sidney heard he was made Executor he therefore expected that the old man had left something to the Fabian Society. Now it turns out that he has left nearly £10,000 to five Trustees and appointed Sidney chairman and administrator—all the money to be spent in ten years. (The poor old man blew his brains out, finding his infirmities grow upon him. He had always lived a penurious life and stinted his wife and by no means spoilt his children—and left his wife only £100 a year which Sidney proposes should be doubled by the Trustees. The children are all provided for and do not seem to resent the Will.)

Now the question is how to spend the money. It might be placed to the credit of the Fabian Society and spent in the ordinary work of propaganda. Or a big political splash might be made with it—all the Fabian Executive might stand for Parliament and I.L.P. candidates might be subsidised in their constituencies. But neither of these ways seem to us 'equal to the occasion'. If it is mainly used for the ordinary work of the F.S. then it will really save the pockets of ordinary subscribers or inflate the common work of the organisation for a few years beyond its normal growth. Moreover, mere propaganda of the Shibolleths of Collectivism is going on at a rapid rate through the I.L.P.—the ball has been set running and it is rolling down the hill at a fair pace. It looks as if the great bulk of the working men will be collectivists before the end of the century. But Reform will not be brought about by shouting. What is needed is *hard thinking*. And the same objection applies to sending nondescript socialists into Parliament. The radical members are quite sufficiently compliant in their views: what is lacking in them is the leaven of knowledge. So Sidney has been planning to persuade the other trustees to devote the greater part of the money to encouraging *Research* and Economic study. His vision is to found, slowly and quietly, a '*London School of Economics and Political Science*' a centre not only of lectures on special subjects but an association of students who would be directed and supported in doing original work. Last evening we sat by the fire and jotted down a whole list of subjects which want elucidating—issues of fact which need clearing up. Above all, we want the ordinary citizen to feel that reforming society is no light matter and must be undertaken by experts specially trained for the purpose.

Substantially the same account was given by Graham Wallas in an introduction to the Handbook of the Students' Union of October 1925, where he stated that the School 'was invented at Borough Farm, a couple of miles south-west of Godalming, early in the morning of a certain day in August 1894'. Leaving out the picturesque features both these accounts are consistent with the account given by W. A. S. Hewins, the first Director of the School, in a report to the Education Department covering the first three years of the School's work which was printed in a volume of special reports of the Education Department for 1898. Hewins, after discussing the previous state of education in economics in the country and the conditions necessary for the establishment of a new institution, wrote that these conditions:

> were satisfied by the provision of trust funds . . . A sum of £10,000 had been left at the disposal of trustees, of whom Sidney Webb was chairman, and a portion of this fund could be devoted to the promotion of the scientific study of economics and political science and for investigation and research. Provisional arrangements were discussed at the end of 1894, and a small committee was appointed to consider and carry into effect a scheme for founding a School of Economics.

Sidney Webb himself supported what may be called the Borough Farm story, in a statement recorded by Sir William (later Lord) Beveridge in 1932, but in earlier reminiscences, published in January 1929, in the *St. Martin's Review*, he described the story of the Borough Farm breakfast table in the form retailed by Wallas as a myth without, however, substituting any more realistic account of how the idea of the School was conceived. It may be that Webb was still moved by the desire to say as little as possible in public about the association between the School and the Hutchinson Trust. Obviously that underlay what I have called the alternative version of the history, which is set out in Webb's letters to the Vice-Chancellor of London University in 1903. The text of these letters, which contained the full details of Webb's alternative account of the founding of the School, are reproduced in full at the end of this chapter.

The exact process of thought by which Sidney Webb reached his own determination to found a new institution for teaching and research in economics, and the details of the many discussions which he no doubt had with friends and associates can never now be exactly known, but it is none the less now possible to come a little closer to understanding them because early in 1960 there were found, stored away and overlooked in the vaults of the London School of Economics Library, the Minute Books of the Hutchinson Trust. They were deposited with the School many years ago with directions that they were not to be opened until all the Trustees were dead, a direction which adds to the impression of deliberate mystery which Webb preserved—among other things by carefully preventing the publication of Hutchinson's Will.

Having examined these records very fully I can state at once two conclusions from them. First, they support Webb's picturesque story rather more than his politic one, although the process of gestation of the idea of the School probably took rather longer than a breakfast-time. Secondly, the shroud of secrecy covered no action which reflects any discredit on Webb and his co-trustees, though the records do show fairly clearly why they avoided publicity.

I have been led on by a detailed study of the Hutchinson Trust records to seek other contemporary evidence and have accordingly examined various relevant letters in the Passfield Papers, the significance of which becomes much clearer when they are placed in proper sequence with other letters and minutes recorded only in these rediscovered Minute Books. In addition I have consulted correspondence in the Shaw papers now deposited in the British Museum and have been able, through the courtesy of Mr. Arthur N. Whiston, the son of the lawyer who acted on behalf of Mr. Hutchinson's executors, to see various letters written by Sidney Webb about the estate and the Will, which fill in gaps in the story. Other information has been obtained from contemporary references in *Fabian News*, published monthly by the Fabian Society; and I have consulted certain recollections recorded much later by Sidney Webb, Edward Pease and others, which are in the School archives. These reminiscences are in a number of details at variance with

the contemporary records. For example, Webb stated that Hutchinson's Will left his children totally unprovided for, whereas there were in fact legacies to two sons and two daughters; he gave very inaccurate figures of the Trust's expenditure; and was uncertain whether 10, Adelphi Terrace, the School's second home was leased by the School with Miss Payne Townshend as a sub-tenant or vice versa; while Pease said that De Mattos, one of the original trustees, 'was in America and never returned' although he in fact attended the first four (and the most important) meetings. I have in practice relied on the written records as to the facts and used the later reminiscences as evidence of opinions and states of mind.

The Minute Books show that the Trustees were careful to leave a record of their transactions, mostly in Sidney Webb's own hand; and they include a great many incidental documents relating to the School, the Fabian lectures which were financed by the Trustees and other activities supported by them. As already indicated the records support the view that the Hutchinson money formed the essential starting point for Sidney Webb, but they also make more clear the stages by which he got agreement to his plans and the care he took in the preliminary discussions.

Before dealing with these records, let me recall Webb's position in 1894. His long partnership with Beatrice had begun with his resignation from the Civil Service and their marriage in 1892. He had recently become a member of the new L.C.C., but above all he was a Fabian, a member of that brilliant group of practical idealists who had come together some ten years before and were full of the possibilities of reforming the world on what it was then fashionable to call collectivist lines. With his close friends Sidney Olivier, Bernard Shaw and Graham Wallas, Webb dominated the Fabian Society, but its active members included many others of high ability and great influence. At least from the publication of the famous Fabian Essays in 1888 the Society had laid stress on both propaganda and research and in the inner counsels Webb championed the side of serious study.

Sidney and Beatrice represented more than any others what

to me at least has always seemed the essence of Fabianism, reliance on patient study and persuasion rather than abstract thought and revolutionary propaganda. Their own research had been specific and practical; they wrote about Trade Unions and local government rather than about theories of the state. Still in their early thirties and with the wide circles opened to them by Beatrice's social contacts and Sidney's official and political friends, they were full of hope and confidence. But they were Victorians as well as Fabians and, whatever they felt about capitalism, they had a very good idea of the value of money. We can imagine, therefore, the exciting prospect they must have seen when they first heard of the bequest of a substantial sum of money to be spent largely under Sidney's control.

It was inevitable that, with these interests, the Webbs should have ideas about the institutional study of economics and allied subjects. The general situation has been summarised by F. A. Hayek in 'The London School of Economics 1895–1945' (*Economica*, February 1946) and I cannot do better than reproduce his summary.

> In the early nineties the unsatisfactory state of university education in London had begun to attract serious attention. As this coincided with a strong revival of interest in economic and social problems, it was inevitable that the glaring deficiencies in this field should be especially felt. Here not only London, but also the older universities were badly off compared with universities of the Continent and the United States. Oxford, Cambridge and Manchester had each, indeed, its Chair of Political Economy, but the subject was studied only as one among several others little connected with it; and though both of the old London colleges, University College and King's College, also had chairs in Political Economy (which had in recent times been held by such distinguished economists as J. E. Cairnes and W. S. Jevons, W. Cunningham and F. Y. Edgeworth) they were very much part-time in character and the courses were attended only by a few arts students. As Sidney Webb wrote thirty-three years later of the position in 1894, 'it is today amazing to think how minute was the provision for economic teaching, and how lacking that for economic research, in the London of the last decade of the century. King's College had a nominal professorship

which was suspended.[1] Professor Foxwell held a chair at University College, but had only a score of students. A rather elementary course of lectures (which I had attended in my youth) was annually given at Birkbeck College.[2] This was all that existed in the capital of the British Empire for a population comparable to that of the whole of Scotland (or Belgium or Holland) each of them having several universities. Nor was there any dissatisfaction. The pundits solemnly declared that the existing provision met the entire demand; and, as they suggested, amply supplied the whole need. Only young men in a hurry could regard the idea of a single professor of political economy as being as obsolete as the idea of a single professor of natural history. It was revolutionary to imagine that there ought to be, at each centre, a dozen professors, each pursuing his own branch of a vast field of social study, up to heights and into details yet undreamt of.'[3]

Sidney Webb was not the only one who was acutely dissatisfied. The 'Commissioners appointed to consider the Draft Charter for the proposed Gresham University in London' reported early in 1894 (in the document which ultimately led to the reorganisation of the University of London as a teaching body) in favour of creating a separate 'Board of Studies for Jurisprudence and Political Science' in the Faculty of Law and added that 'in further elucidation of our aim in constituting this department of the Law Faculty, we need only refer to the programme of the lectures of the *Ecole Libre des Sciences Politiques* which has raised with great success the standard of political education in France. We are fully alive to the imperative and urgent need which exists for supplying this kind of education for the students of London University.'[4] They added emphasis to this by reprinting a recent programme of the *Ecole Libre* in the Appendix to the Evidence taken by them.[5] At about the same time a Committee of the British Association prepared a full report 'on the economic training in this and other countries'[6] in the introduction to which they stressed that:

[1] This is not quite correct. William Cunningham had in 1891 succeeded Edgeworth to the Tooke Professorship of Economic and Statistical Science and was in turn succeeded in 1897 by the Director of L.S.E., W. A. S. Hewins. But there is no reason to doubt that in fact little economics was then taught at King's.

[2] There was also a course at City of London College.

[3] *St. Martin's Review*, Jan. 1929, p. 25.

[4] C.7259, 1894, p. XLVI.

[5] C.7425, 1894.

[6] The Committee consisted of W. Cunningham, E. C. K. Gonner, F. Y. Edgeworth, H. S. Foxwell, H. Higgs, L. L. Price and J. S. Nicholson.

'while fully recognising the great energy with which individual teachers in this country have sought to develop the study of this subject, your Committee cannot but regard the condition of economic studies at the universities and colleges as unsatisfactory.

They added that:

as contrasted with Continental countries and also with the United States, the United Kingdom possesses no regular system. In one place Economics is taught in one way, and in connection with some one subject, not infrequently by the teacher of that subject; in another place in another way, and with another subject. Very often it is taught, or at any rate learnt, as little as possible. In most places this lack of organisation is due to the weariness of introducing elaborate schemes for the benefit of problematic students.

But while this report was being discussed at the Oxford meeting of the British Association in August 1894, it was to Sidney Webb that the opportunity for action came.

Two things may be added. First, Webb had remarked in 1888, when on a visit to the U.S.A., on the high standard of economics teaching at Massachusetts Institute of Technology (letter to Graham Wallas of October 1888),[7] but he had not followed this up with any practical proposals. Secondly he told Lord Beveridge in conversation in 1932 that he could not then recall having thought of a School of Economics before 1894.

APPENDIX TO CHAPTER 1

Copy of a draft letter from Sidney Webb to the Rt. Rev. Archibald Robertson, dated 3 January 1903.

My dear Vice-Chancellor,

You tell me that it has been alleged that certain funds left by a Mr. H. H. Hutchinson, upon a trust, formed 'the original endowment' of the London School of Economics, and that the trust is stated to be 'an improper one to be connected with a School of the University'.

I write at once, though away from home and papers, to say that this statement is untrue in form and in substance. The London

[7] Passfield Papers.

School of Economics was founded independently of that or any other trust. The trust funds referred to, far from being 'the original endowment' of the School, have never been part of its endowment, or belonged to it in any way; and any trust upon which they may be held in no way affects the School. The School has never had any endowment, other than the subscriptions and donations given to it; and no such subscriptions or donations have been accepted by it (or even offered to it), fettered by any doctrinal condition or any stipulation interfering with their free use for one or other of the purposes of the School. There are not, and never have been, any trusts, express or implied, affecting the School, or its Governing Body or any of its funds, other than those expressed in its Articles of Association.

The Governors of the School have accepted various donations for the purposes of the School—to the extent of some three or four thousand pounds in all, out of a total of £45,000 received in the first seven years of the School's existence—from a body calling itself the Hutchinson Trustees in exactly the same way as they have accepted donations from other bodies of trustees and individual donors of the most diverse opinions.

It may perhaps be added that by far the largest donations to the School came, from the first, and still come, from persons who hold opinions on economic and political questions quite opposed to those understood to be held by the Hutchinson Trustees. These donations have been in all cases given to the Governors for the purposes of the School unfettered by any conditions or stipulations, express or implied, that would interfere with its perfect freedom as a University institution. The School has, of course, nothing to do with the terms of the Hutchinson Trust, any more than with the opinions or objects of any other donors to its funds, but I may add that it was mentioned that the Hutchinson Trustees have the disposal of two trust funds, under widely differing conditions and that they had satisfied themselves, by counsel's opinion and otherwise, that the promotion of economic investigation and research, such as that for which the School was founded, was within the terms of their trust, and that, moreover, one of the funds at their disposal was available not merely for the promotion of economic investigation and research, but for any educational purposes whatsoever.

I may take this opportunity of stating that no influence has been either attempted or used, either by donors on one side or by donors on the other side, of any controversial question of politics or economics, to bias or control the work of the School, and none such

would be permitted by its governing body, representing as this does, all shades of opinion; nor could any such influence be allowed under its Articles of Association.

The implication that the School was originally founded, or is now administered, under some obligation to promote some particular creed or the interests of some particular organisation, or with that object, is absolutely untrue—as, indeed, might be seen by any candid examination of its original prospectus, its articles of association, its governing body, its professors, its courses of study, its students, its publications, and, indeed, its whole work, from the outset down to the present time.

I am,
my dear Vice-Chancellor,
Yours very truly,
Sidney Webb
Chairman of the London School of Economics.

Copy of a draft confidential letter from Sidney Webb to the Rt. Rev. Archibald Robertson, dated 3 January 1903.

Dear Dr. Robertson,

Your letter telling me that allegations had been made against the London School of Economics was, in a sense, welcome to me, because I have been conscious, for some time past, of an atmosphere of slander; and when the statements come out into the open, they can be definitely contradicted. The School has, by its very success in doing what others thought impossible, aroused jealousy, if not enmity; and, of course, I have myself not failed to make enemies.

There are, I discover, other allegations, which I mention because you may hear of them. It has been said that I am making 'a good thing' out of it for myself, getting a handsome salary for my own lectures. It does not matter, but I may as well take the opportunity of stating that I have not received a penny from the School from the beginning—the whole of my lectures and teaching (and also such as have been given by my wife) having always been done gratuitously.

It has also been said that the School admits members of the Fabian Society at half fees. This is simply untrue. The School receives the full fees on all its students. What is true is that certain bodies —the Great Western Railway Coy, the Great Eastern Railway Coy, the Library Association and the Fabian Society—have, at one time or another, themselves offered their own members etc., special

facilities or encouragement to attend—the body itself making up to the School the balance of fee.

With regard to the special point you ask me, I have written separately to you as Vice-Chancellor a letter which I hope you will show to Sir Arthur Rücker, and place on record, to be produced if required. It contains a detailed and categorical denial of the allegations made. But for your own information I now write more explicitly as to who were the founders of the School, where the money came from, and what were the ideas of the promoters. The people concerned would not like their names and bounties to be known or canvassed, so I have to give you this further information separately.

Origin of the School

I think I must say that the School originated with my wife and myself. We had long been concerned at the lack of provision for (1) economic teaching and research, (2) training in administration, whether commercial or governmental. The London University Commissioners pointed out in their report in 1893 the need for creating in London an *Ecole Libre des Sciences Politiques*. The Economic Section of the British Association reported in 1894 strongly urging further provision. My wife and I discussed the matter for a long time, and resolved to make an attempt to start a centre of economic teaching and research in London, on the lines of that in Paris. During 1894–5 we gathered our resources together, opened up communications with friends, and we made a start in October 1895.

I remember going to Sir Owen Roberts in 1895 to try to interest him in the School, and telling him very candidly the ideas that I had on the subject. I said that, as he knew, I was a person of decided views, Radical and socialist, and that I wanted the policy that I believed in to prevail. But that I was also a profound believer in knowledge and science and truth. I thought that we were suffering much from lack of research in social matters, and that I wanted to promote it. I believed that research and new discoveries would prove some, at any rate, of my views of policy to be right, but that, if they proved the contrary I should count it all the more gain to have prevented error, and should cheerfully abandon my own policy. I think that is a fair attitude.

Now, the little group of people who really enabled the thing to get under weigh were the following:

(1) Miss Payne Townshend, niece of Brian Hodgson the great

oriental scholar, and an old friend of my wife's. She took to it from the first, and has been most generous; she must have given or spent on the School £5,000 during the first seven years; (2) Sir Hickman Bacon, Bart., a wealthy Lincolnshire landowner, who gave me a cheque whenever I asked for it, and must have subscribed £1,000 or more; (3) the Hon. Bertrand Russell, then a young Fellow of Trinity, who gave us nearly the whole proceeds of his fellowship, some £1,200 or more; (4) here I must name Hewins, whom I chose as the first Director of the School, and who did, at the start, all the organising and nearly all the teaching, throwing up all his Oxford and other connections, and putting inexhaustible energy and ability into the work of building up a new institution, for what was at first merely a nominal salary. (5) Finally, myself and my wife. We rendered some services and gave a little money, spending, however, much more, on anything that the School needed.

It is interesting to notice that, so far from these people being Socialists, they were of the most diverse opinions. Bacon was and is a Conservative—so was Miss Payne Townshend, insofar as she had any politics at the time—Hewins was then as now a strong Imperialist and Churchman, and, at any rate, 'anti-Liberal'—Russell was, if anything, Liberal—and then there was myself.

Of course, we appealed to all and sundry for money, for the School itself, for scholarships, for a library, for a new building etc. etc. Politicians and economists of all shades of opinion subscribed and gradually money came in—Sir Owen Roberts got us £250 from the Clothworkers Company, and £250 from the City Parochial Trustees; eventually I got Mr. Passmore Edwards to give £11,000, and others of our Governors got Lord Rothschild to give £5,000, and the Lord Mayor to preside at a Mansion House meeting, and so on. But those previously named were the people who really set the ball rolling, and were the spiritual and financial founders.

The Hutchinson Trust

Part of the aid that I was able to bring to the School—amounting, however, to not more than between three and four thousand pounds, out of the £45,000 which it received in its first seven years—was a series of donations from the Hutchinson Trustees. I want to tell you very candidly about this, because it is a matter which concerns me personally. Nearly nine years ago I got a letter from an unknown provincial solicitor to say that one Hutchinson, whom I had heard of but never seen, and never communicated with, had died,

leaving all his property to me and four other trustees, designating me as the chairman of the trust, and leaving (by a quaint and almost illiterate will which he had drawn himself) to me, whom he had never seen, the widest discretion as to methods, but saying that the funds were to be applied 'to the propaganda and other purposes of the Fabian Society and its Socialism, and towards advancing its objects in any way that may seem advisable'. I had therefore to decide (for the other trustees largely accepted my views) what to do with this money. We might simply give it to the Fabian Society. We might retain the administration in our own hands and devote all of it to political propaganda. We might, on the other hand, devote some or all of it to any of the 'other purposes' of the Fabian Society, not being propaganda. Finally we might devote some or all of it to any other way of advancing the objects which that Society desired.

Rightly or wrongly, I decided that, if possible, I would neither hand it over to the Fabian Society, nor spend it in political propaganda. It has always been a special feature of the Fabian Society, since its establishment in 1884, that it has added to its work of propaganda, a great deal of purely educational work in economics. Moreover, it had for many years included among its functions, in its printed prospectuses, the promotion of economic investigation and research, and it has always done its best to foster this.

I therefore urged upon my co-trustees that it would be far better to devote some of the funds now at their disposal, not to propaganda of any sort, but to education, and, above all, to advancing one of the declared functions of the Fabian Society, namely economic investigation and research.

To make sure that this action was within our powers, we formally took the opinion of an eminent K.C., who said that it was. I also consulted the daughter and the principal friend of the testator, who both entirely approved. So cordially did they approve that the daughter thereupon made a will leaving her little fortune to me and my co-trustees, for general educational purposes; and the deceased's chief friend has, unsolicited, made donations to the London School of Economics. The daughter died almost immediately afterwards, and her will came into effect.

There are thus, *two* Hutchinson Trust funds, under different trusts, one wider than the other.

My co-trustees have so far agreed to my view that they decided to keep both trust funds in their own hands, and to use them as a fund from which to make donations from time to time to such

societies as they chose, and to incur such other expenditure as they chose, within the very wide terms of their two trusts.

They have made repeated donations to the Fabian Society for its propaganda work, choosing to pay for that of really educational character. They have done various small things for education. They have directly paid for one or two little pieces of economic investigation. And they have made successive donations to the London School of Economics, for its own purposes, without stipulation or condition. They have still considerable funds in hand.

I venture to think that my own action in the matter as a Trustee was perfectly justified, and no one has demurred to it, but with this, of course, the University has nothing to do. The London School of Economics had to consider whether it would accept donations from the Hutchinson Trustees, as from any other body of trustees or other persons. The line which it has always taken has been to accept money from all sides, without question as to the donor's opinions, so long as the money was given bona fide for the declared purposes of the School, and without stipulation or condition affecting its impartiality or unfettered liberty of teaching and research. Thus, we have accepted two sums of money for investigation and teaching in the subject of liquor licensing—in one case from a brewer, and in the other case from a temperance society. We have had donations from monometallists and from bimetallists, free-traders and protectionists, individualists and collectivists. Frankly, the more diverse and varied are the views of our donors, the better I like it. But by far the largest gifts have, as a matter of fact, come from persons who are Unionist in politics, and individualistic, free trading mono-metallists in economics.

After all, the test is in the character of the governing body of the School and its professors. No one can look at either the one or the other, without seeing that the aim has been to get the very best people irrespective of their political or economic views. And I believe that you, at any rate, will not need my personal assurance that the Governors, for their part, and Professor Hewins as Director, have all constantly maintained the School and its teaching and its investigations, on the lines of a University, with both *Lehrfreiheit* and *Lernfreiheit*, in their fullest and widest sense.

Yours very truly,
Sidney Webb.

CHAPTER 2

THE HUTCHINSON WILL AND ITS INTERPRETATION

The first item of all in the Hutchinson Trust Minute Books is a cutting from the *Derby Daily Telegraph* containing an obituary of Henry Hunt Hutchinson, reading as follows:

THE LATE MR. HENRY HUTCHINSON

Mr. Henry Hutchinson, whose death [on 26 July 1894] under distressing circumstances was recorded in our impression of Friday, was born in Derby, and spent the greater part of his life amongst us. His figure, which was very familiar to us for many years, was not so conspicuous of late, nor indeed since his retirement from the position of consulting clerk to the Derby magistrates in 1877. The life which ended so tragically was almost an uneventful one, and is soon told; but not so that inner life of his, which began in a youth thirsting for knowledge, and spending first pence, with difficulty saved, and then shillings and pounds, in the acquisition of a fine library, which, after being well used for many years, was dispersed previous to the demolition of his residence opposite the Mechanic's Institute, in the Wardwick. Intense study and an insatiable appetite for scientific research, with powers of reasoning begotten of the close study of law and of the real meaning of words, occupied the time others usually give to recreation. A constant weighing of evidence, in order to get at the exact truth in little as in much, made the duties of social life to him deeply real and earnest and its responsibilities very great; and engendered in his mind a stern sense of duty, which involved the abnegation of self to a degree that in any ordinary mind is inconceivable, and this whilst he was contributing vast sums, amounting to many thousands of pounds, to the various societies in which he was interested. In his youth he was not favoured by nature with a robust constitution, and his parents, by the advice of his schoolmaster, found him a situation in the office of Mr. Birch, a local solicitor of some eminence, who was also clerk to the borough and county magistrates. Here, in due course, his industry and particular ability found scope in acquiring a knowledge

of the law relating to matters there dealt with, and particularly with magisterial law, and the law relating to the removal of paupers. On the latter subject he soon became an authority, for at that time the law was but imperfectly understood and administered. He gained the confidence not only of his employer, who entrusted him thus early with most important matters, but also of many of the county magistrates who did business at the office, so that on the decease of Mr. Birch, which occurred some years after, Mr. Hutchinson was chosen by the county magistrates to be their clerk in the place of his deceased master. In this capacity he served on the Smalley Division for a great number of years, and it is worthy of record that during that time no decision of these magistrates was ever called in question. On his retirement in 1877 the county justices presented him with a valuable testimonial, which is now an heirloom in his family. When Mr. Pratt, who was the clerk to the borough justices, died, Mr. Hutchinson was appointed consulting clerk, jointly with Mr. Edwin Pratt, the son of the former, and he resigned this position, receiving likewise a handsome testimonial from the Borough Bench. He then went to California, where he had previously sent his two sons to learn farming, and where he had a considerable estate, intending to spend the remainder of his days there with his family, the other members of which accompanied him thither. After remaining in California about two years, he began to miss the society of his friends in England, and to lament the absence of books, and the literary and other associations and pursuits to which he had hitherto been accustomed. This developed in him a determination to return to England. His sons likewise desired town life, and after suitably providing for them he disposed of his possessions, and with his wife and daughters returned in due course to Derby. He spent the late years of his life in study and in writing books, several of which he has published, notably a volume entitled, 'Property', which has been very copiously reviewed recently. Another very valuable and suggestive work was one on English grammar and the English language, entitled 'Thought symbolism, or grammatic illusions'. He also wrote and published a number of pamphlets on several subjects, and was an occasional contributor to important periodicals. He leaves behind numerous unpublished manuscripts and annotated works which he has bequeathed to the Fabian Society of London. For some four or five years the deceased was aware of greatly impaired health, and spent his winters at Nice, not being able to bear the trials of an English climate. For the winter of 1892–3 he went to California in company

with his wife and daughter Constance on a visit to a married daughter residing there, but on his return to England he complained of ever-increasing debility, and on the arrival of the following September, when he was desirous of going to Nice for the coming winter, he felt his inability to bear the journey. From this date he got gradually worse, and described the progress of his disorder with scientific accuracy almost from week to week. Dr. Vaudrey was consulted, but he gave the relatives no hope of an improvement in the condition of his patient, who himself, without being informed, was equally qualified to judge, and expressed his conviction that his case was hopeless. And so from day to day he bore continuous suffering, which at length proved beyond human endurance, and under the influence of which he departed this life, seeking in oblivion the rest denied him here.

James Harwood

After a long illness he died by his own hand. Just when Webb heard of his death and the legacy is not clear, but on 2 August 1894 the Derby solicitor, Mr. W. H. Whiston, acting in the matter, sent him a copy of the Will, under cover of the following letter:

Dear Sir,

H. H. Hutchinson deceased

Herewith I send you as requested copy of the late Mr. Hutchinson's Will. The property consists of personalty there is over £7,000 in the bank besides Shares in various companies probably worth another 6 or £7,000. The Bank hold the securities and will not part with them till the Will is proved.

Mr. Hutchinson was an old friend of mine and was my predecessor in some public appointments I now hold.

I was much grieved to find that life had become so burdensome to him that he committed suicide though I think there can be no doubt that he was not of sound mind.

Yours faithfully,
Wm. Harvey Whiston

The phrase 'as requested' is a little mysterious; it could mean that Webb himself, prompted by independent information, had written to the solicitor or that one or more members of the Hutchinson family had 'requested' Mr. Whiston to send

Webb the copy of the Will, but no evidence has been traced to explain the phrase. The Will itself was as follows:

This is the last Will of me Henry Hunt Hutchinson of Derby. I bequeath to my Wife an Annuity of one hundred pounds payable half yearly from the date of my decease, to be secured by a life Policy or otherwise paid as my Executors Sidney Webb and Constance Margaret my Daughter determine. I give to said Constance Two thousand two hundred pounds to my Daughter Beatrice One thousand five hundred and to each of my Sons Ernest Alfred and Wolfred Thomas One thousand pounds; and finally to my friend James Harwood three hundred pounds—All including the annuity, free of legacy duty.

I request Webb to use not exceeding One hundred pounds in employing a literate person to examine such Original Manuscripts as I leave and if aught thereof be found worth publication, after selection and free Editing, I devote not exceeding four hundred pounds more to the effecting of that purpose and that, if it may be, under the auspices and for the benefit of the Fabian Society of London—I place my Manuscripts of all sorts and my few books entirely at Webbs disposal, for use, distribution or destruction at my cost.

The Residue of my property I bequeath in trust and jointly, to said Constance and Webb together with their Colleagues of said Society William H. De Mattos, William Clarke and Edward R. Pease, that they may apply the same at once, gradually and at all events within ten years to the propaganda and other purposes of the said Society and its Socialism, and towards advancing its objects in any way they deem advisable, Webb for the first year, to be president and as long as he remains such to have—except in his own re-election—a casting vote: such election to be annual and the President for the time being to be always removeable, but until removed to be Administrator of the Trust fund.

Witness my hand this tenth day of October 1893.

Signed by Henry Hunt Hutchinson on this 10th day of October 1893, in our presence which fact we attest by signing our names in his and in each others presence before separating.

H. H. Hutchinson

John Harwood
Philip Harwood

The total value of the Estate proved to be about £20,000, of which about half was absorbed by bequests to the family and legacy duty, leaving some £10,000 for the Trust. Hutchinson had never met Webb personally and must have chosen him as chairman of the Trustees and joint executor on his reputation as a leader of the Fabian Society. The other Trustees were all Fabians—and by no means nonentities. Constance Hutchinson appears to have shared her father's reforming enthusiasm more than the rest of the family. A letter of 2 September 1894 implies that she had met both Mr. and Mrs. Webb but not that she was anything like a close friend. She appears to have been aware of, and in sympathy with, Webb's intentions, but left to live in California in the autumn of 1894 and never attended any meetings of the Trust. Edward Pease, a stockbroker of unusual ideals, was one of the small group whose meetings during the winter of 1883/4 led to the formation of the Fabian Society and was General Secretary from 1890 to 1913, including the period of activity of the Hutchinson Trust. Besides being Secretary to the Society, he had known Hutchinson personally for some years; hence presumably his selection as a Trustee. William Clarke, a journalist, leader writer at various times for the *Daily Chronicle*, the *Spectator* and the *Economist*, had also been connected with the Fabian Society since its earliest days, was one of the seven writers of the famous 'Fabian Essays' of 1888 and served on the Society's Executive Committee from 1888 to 1891. Illness obliged him to abandon any active participation in public affairs after about 1895 and he died at the early age of 48 in 1901. Both he and the fifth Trustee, W. H. De Mattos, must have been known personally to Hutchinson, since the *Fabian News* records their having lectured at Derby in 1891 when Hutchinson was organising the local branch. De Mattos, indeed, was in the early '90s the organiser of the Fabian touring lectures, and himself an active lecturer, although by August 1894, he seems to have given up such activity and had ceased to be a member of the Executive in the previous April.

The picturesque tradition already described has it that the solicitor's letter about the Will was discussed at breakfast by the Webbs with Bernard Shaw and Graham Wallas, who were

then staying with them at Borough Farm, Surrey. (Webb further stated in his talk with Beveridge in 1932 that the discussion is recorded in a drawing of the four for 'The Sketch' which was reproduced as the frontispiece of Pease's 'History of the Fabian Society', but this must have been a faulty recollection since the drawing, which shows a group on a hillside, not at breakfast, did not appear in the *Sketch* until July 1895, and that simply as an illustration to an interview with Bernard Shaw on the general election.) The records do not quite support the idea of a fully fledged scheme emerging at once,[1] but there is every reason of probability, supported by some implications in correspondence, for believing that Webb had quite early a broad idea of what he wanted to do with the Hutchinson money and that he discussed his ideas with Shaw and Wallas, and probably with other leading Fabians. However, Webb put nothing on paper for some time and it is quite clear from the records that he had several obstacles to get over before he could get anything going.

First, there are hints of doubts about the validity of the whole provision in the mind of the Derby solicitor who was acting in the matter, Mr. W. H. Whiston. In his letter of 2 August he had stated his opinion that Hutchinson was not of sound mind at the time of his death and in the next item of correspondence which has been traced (in the Passfield Papers, not in the Minute Books), a letter to Webb from Constance Hutchinson dated 2 September, there is a reference to Mr. Whiston's having 'no sympathy with Father's wishes' and a suggestion of intermediate correspondence and perhaps personal discussion with Webb. (It is in any case unlikely that Webb would have let a month pass without taking any action.) That the circumstances of the death and the unusual provisions of the will should have occasioned some misgivings in Mr. Whiston's mind is reasonable enough, but they appear to have been removed by this date and on the day he received Constance Hutchinson's letter, 3 September 1894, Webb wrote to Mr. Whiston inviting him to act on behalf of the executors. This

[1] It is noteworthy that no mention of the L.S.E. scheme is made by Shaw in the letter of 28 September 1894, reproduced on pp. 22–24 below, which discusses at some length the method of disposal of the Hutchinson bequest.

invitation was immediately accepted and other correspondence followed about obtaining probate and settling the estate. (The letter of 3 September and the later correspondence have been seen by courtesy of Mr. Whiston's son and successor, Mr. A. N. Whiston.)

Next, there was the possibility that the bequest to the trustees might be challenged by the widow or other members of the Hutchinson family, some of whom were certainly not pleased with the Will. And thirdly there was a complex of doubts about the powers of the Trustees, having regard to the explicit mention of the Fabian Society in the Will. Both these difficulties came to the surface with the receipt of a pathetic letter from Hutchinson's widow complaining that the £100 a year left to her was inadequate. References in other letters and in Beatrice Webb's diary suggest that her position had already been discussed and this letter may have been only a final and formal statement of it. Anyway, it was followed quickly by the first meeting of the Trustees, held at the Fabian Society offices in the Strand on 26 September 1894, and attended by Webb, Pease and De Mattos. They agreed in principle to increase Mrs. Hutchinson's annuity to £200 p.a., but since they had an uneasy, and justifiable, feeling that they had no business at all to use the Trust funds in that way they thought it a wise precaution to consult not only the absent Trustees but the Fabian Society Executive. Constance Hutchinson had apparently already agreed and William Clarke's concurrence was secured next day by post. More important, Webb wrote on the 27th to Pease—acting now in his capacity as secretary of the Fabian Society—in the following terms:

> Dear Pease,
>
> Will you bring before the Fabian Executive tomorrow the following position of the Trustees under Hutchinson's Will?
>
> It appears that the estate is larger than was supposed—about £20,000—and that the residue coming to the trustees, if no opposition is made, and all goes smoothly, may amount to some £9,000.
>
> But it has been very forcibly pressed on the Executors and Trustees by Mrs. Hutchinson, by her two sons, and her daughter and by the solicitor, that it is practically impossible to leave Mrs.

Hutchinson with the miserable sum of £100 a year, (her bequest under the will) which is her *sole* resource. After considerable enquiry and discussion, it was yesterday agreed at a meeting of the trustees to purchase for her an annuity of £200 a year, instead of the £100; and to pay her in addition one year's annuity in advance (£200), as she would otherwise be without means of support. The trustees also agreed to forego any claim to the furniture and personal effects which the testator—clearly by inadvertence—left to them. The value of these is said to be trivial, (not more than £20 or so).

I think it will be easily understood that these concessions, (which seem to me to be called for by common humanity) can be justified by considerations of prudent administration, as any opposition to the will on the part of the widow, even if entirely unsuccessful, would involve considerable costs.

The decision is a matter for the trustees alone, as the bequest is for them, and not to the Fabian Society. But by strict law, the trustees have no power to make any such compromise with the family without a friendly action at law, and an order of the Court. As there is no person who would have any right to object, it seems unnecessary to go to this expense. But in view of the fact that the trustees' decision might hereafter be criticised by any stray member of this or any other Socialist organisation, as diverting to private purposes funds intended to advance Socialism, the trustees would like to be fortified in their decision by an expression of approval from the Fabian Executive.

Yours truly,
Sidney Webb

This letter was considered at a meeting of the Fabian Executive on the next day, 28 September. Webb himself kept away but seems to have briefed Shaw to argue the case for him. Shaw wrote to him the same evening the following full and picturesque account of what was clearly a prolonged discussion:

29 Fitzroy Square W.
28th September 1894.

We have on the whole pulled through the Hutchinson affair all right at the executive; but your plan to give the Fabian the cake and keep its appetite at the same time is not in the nature of things fully possible. We must take the bequest with all its

consequences. When your letter came on this evening, Bland,[2] with some not unreasonable indignation, moved that we proceed to the next business on the ground that if, as you insisted, the executive had nothing to do with the trust, it was a little too much to ask it to pass resolutions approving the malversations of a body which had just warned it off and told it not to meddle. Olivier objected to this on the ground that the executive had everything to do with the trust; that it was the sole arbiter as to what were the purposes of the Fabian Society; that it should at once apply for an injunction in restraint of the compromise and have a big case with Haldane retained for the purposes of a roaring advertisement; and generally that it had complete command of the situation in virtue of its approval of any expenditure being the only available criterion of the fulfilment of the testator's purpose. Bland replied that as between his view (which he took from your letter) and Olivier's, we either had nothing to do with the money, in which case we had better pass on, or else we had a great deal to do with it, in which case the chucking away of two or three thousand pounds of the Society's money was a serious matter, not to be done offhand. We all then had a lively speculative argument as to whether, if we altered the basis and went in for Liberty and Property principles, we should still be entitled to the use of the trust fund, and we quite persuaded ourselves that we should. Finally Oakeshott drafted a resolution to the effect that we should not take any steps to upset the arrangement mentioned in your letter. This was passed nem. con.: Bland abstaining from the division. In the meantime it had been made sufficiently plain that your insistence on the fact that the money was in your hands and not in the executive's was not a jealous 'Hands off', but simply a means of staving off demands on the fund from the Society generally. However, your proposed notice in Fabian News expressed this anxiety of yours so very obviously that it vanished in a wild tempest of derision, and two lines were accepted from me to the effect that the work of the F.S. would be benefited considerably under the will of the late H.H., the exact scope of which was not yet ascertained, and that full particulars would be ready next month.

So far, all's well that ends well; but we have made the mistake of creating friction by taking precautions against the inevitable. The situation is not altogether an easy one. The resolution

[2] Hubert Bland, a prominent member and at the time Chairman of the Executive Committee of the Fabian Society,

passed today only binds the present executive; and I do not see how practically the trustees could spend any of the money without the approval of the executive. The executive cannot make the trustees spend—at least not until the ten years draw to an end; but it can, I presume, always proceed to restrain any expenditure which it disapproves of. This being so, it appears to me that you had better control the trust from your vantage ground as a leader of the executive than from your legal fortress. In facing the society, the executive must be Spenlow, and the trustees Jorkins, a game which can only be played by Jorkins putting himself unreservedly into Spenlow's hands. Unless the executive is persuaded that the trust money is virtually in its hands, there will be a risk of friction between the executive and the trustees, which is most undesirable. We—that is, you, I and Wallas (Mrs. Webb being always implied)—should make it an absolute rule to inform Bland immediately of any objective matter of this sort in order to give him a proprietary interest in our projects and to keep up the camaraderie of the old gang.

It is quite useless to attempt to keep the society in the dark as to the amount of the bequest. You cannot treat them as children; and now that several thousand pounds are at stake, the slightest attempt at evasion or concealment would destroy our influence at a blow. Ask yourself what you would think if you were a member of the society and found that the trustees of a public bequest shuffled when you asked the first inevitable, natural question, How much? We should simply be suspected of wanting to job it or steal it; and we should have to answer the question after all. A money transaction cannot be too clear; and I submit that next month's Fabian News must give the precise figures. We can couple it with an explanation of how the bequest will rather increase our current expenses than reduce them; but, as I have said, we must make up our minds to an irreducible minimum of reliance on the fund on the part of the society, not to mention a maximum of such reliance on our own parts.

Shaw's letter makes it clear that the argument turned, not on the justice of additional provision to Mrs. Hutchinson but on the right of the Trustees, rather than the Fabian Society, to decide how the Hutchinson legacy should be used; but since he referred only in the vaguest terms to the actual proposal at issue, it is very possible that some readers of this letter (which is among the Passfield papers, not the Hutchinson Trust

papers) may have assumed that the argument was about the financing of the London School of Economics, although that proposal had not yet been put forward. It may be added that Pease, in his later reminiscences, emphasised the desire to prevent a challenge to the Will as the main reason for the decision of the Fabian Executive to raise no objection to the Trustees' proposals for Mrs. Hutchinson.

These proceedings took Webb several steps forward. The extra £100 a year to the widow removed the danger of the whole Will being challenged and the acquiescence of the Fabian Executive went a long way towards freeing the Trustees from any obligation to consult the Fabian Society. But Webb did not feel that he was quite out of the wood and he decided both to get formal legal advice and to ascertain in a noncommittal way the views of representative Fabians. On the first point he proceeded to draw up carefully worded questions and a week later, on 6 October, wrote to Mr. W. H. Whiston, as solicitor for the executors, asking him to submit these questions, as a formal case for an opinion, to R. B. Haldane, Q.C. (later Lord Haldane). In writing Webb said that he was also writing direct to Haldane, who was a personal friend, to give further details. Shaw's letter of 28 September shows that the possibility of briefing Haldane (who was known to be sympathetic with Fabian ideas) in a Court case to test the Trustees' interpretation of the Will had been mooted at the Executive Committee, and Webb presumably thought his opinion would carry great weight, if, indeed, the reference to him had not meantime been agreed with his friends on the Executive. The text of the questions put and Haldane's opinion are set out below.

1. In what manner the purposes are to be ascertained to which the Trust fund should be applied and particularly:

(*a*) Whether 'the propaganda and other purposes of the Fabian Society' and 'its Socialism' and 'its objects' should be deemed to be those expressed in the current 'Basis' and rules of the Society, or contained in its practice at the time of the testator's death, or

(*b*) Whether any subsequent change (duly made according to the rules of the Society) in its purposes objects propaganda

or in the definition of 'its Socialism' would be either binding on the Trustees or capable of being adopted by them in their administration of the Trust fund?

2. Are the Trustees at liberty themselves to apply the Trust fund for the purposes and objects so ascertained; or are they required to entrust the application of the fund to the Executive Committee of the Fabian Society for the time being with or without special directions.

3. In whom is the discretion vested as to *which* of the purposes and objects so ascertained the Trust fund should be applied; and in what manner and is that discretion limited or restricted in any and if so what way.

4. Whether, if in the discretion of the Trustees or other persons who may be responsible for the decision any or all of the following purposes would be calculated 'to advance the objects of the Fabian Society' they would be deemed to be within the scope of the Trust.

(*a*) The grant of funds in aid of the general expenses of the Fabian Society's work without special appropriation.

(*b*) The payment by the Trustees of the salaries and expenses of propagandist lectures.

(*c*) The publication of books or pamphlets, and their free distribution.

(*d*) The payment of the expenses of Parliamentary or other candidates.

(*e*) The promotion of research into problems connected with socialism including the economic and political results of public administration.

(*f*) The provision by the Trustees of public instruction in economic and political science either by way of subsidising or directly engaging lecturers the foundation of scholarships or the establishment of new educational centres.

(*g*) The undertaking by the Trustees of any of the following, which, according to the 'Basis' of the Fabian Society, are the forms which the Society's work now takes?

The work of the Fabian Society takes at present the following forms:

1. Meetings for the discussion of questions connected with Socialism.
2. The further investigation of economic problems and the collection of facts contributing to their elucidation.

3. The issue of publications containing information on social questions or arguments relating to Socialism.
4. The promotion of Socialist lecturers and debates in other Societies and Clubs.
5. The representation of the Society on public conferences and discussions on social questions.

5. Has the Fabian Society or its Executive Committee for the time being, or any of its members any and if so what legal remedy against the Trustees, in the event:

(*a*) Of their bona fide exercising their discretion in applying part or all the Trust fund with the intention of promoting the propaganda or other purposes of the Fabian Society and its Socialism or towards advancing any of its objects but in some particular manner to which objection was taken.
(*b*) Of their wilfully or negligently applying some or all of the Trust funds to some other objects not covered by the words of the Will?

6. Whether in the event of one or more of the Trustees dying or resigning the trusteeship it would be:

(*a*) necessary
(*b*) permissible

to fill up the vacancy or vacancies so occurring and if so by whom should this be done; and whether it would be necessary in such case that the person or persons so appointed should be members of the Fabian Society or would the election be subject to any restriction whatsoever?

7. What would be deemed to be the functions of the 'Administrator of the Trust fund' and particularly is he invested with any special powers or charged with the exercise of any separate discretion as distinguished from the Trustees as a body in regard to:

(*a*) The custody and investment of the Trust fund.
(*b*) The actual dispensing of the money.
(*c*) The choice within the terms of the Trust of particular purposes or objects to be promoted.
(*d*) The manner in which the fund should be applied.
(*e*) Or otherwise?

OPINION

1. If the law were today what it was according to the older decisions I think that a serious question might have been raised as to whether the purposes of the Fabian Society, and a trust constituted by reference to these purposes, were not illegal, but I am of opinion that no such question could now be successfully raised, and that the residuary trust in Mr. Hutchinson's Will is a good charitable trust.

I infer that the Trustees will not desire to apply to the Charity Commissioners to sanction a scheme, or even for advice, nor do I think it is necessary that they should do so.

I am of opinion that the expression 'propaganda and other purposes of the said Society and its Socialism' do not confine the trust to the precise basis and rules of the Society as these exist now, but that, so long as the propaganda of the Society are Socialistic, any objects within the basis and rules for the time being, or even within its practice, if that is not directly contrary to these rules, will be proper trust purposes.

I think that the Society would be entitled to object to the Trustees going outside the basis and rules for the time being, but not to control the Trustees so long as they acted within them.

2. and 3. I am of opinion that the Trustees are the proper persons to hold and apply the fund and to determine the objects to which it is to be applied, and further that the discretion of the Trustees so far as exercised within the trust purposes, cannot be interfered with.

4. I think that the whole of the purposes specified in this question, with the exception of the payment of the expenses of Parliamentary and other Candidates, as to which I entertain considerable doubt, are within the competence of the Trustees.

5. So long as the Trustees act *bona fide* within their powers as I have defined them above, I am of opinion that the Fabian Society cannot interfere, but if the Trustees were to commit a breach of trust I think that the Fabian Society would be in the position of *cestius que trustent*, entitled, having first obtained the fiat of the Attorney-General, to go to the Court to have the trusts administered and a scheme settled.

6. If one or more of the Trustees died or resigned the Trusteeship it would be permissible, though not necessary, for the survivors to exercise the powers confirmed on them by the Conveyancing Act 1881 by filling up the vacancy or vacancies. In such a case it would not be necessary that the person or persons

appointed should be members of the Fabian Society, nor would the election be subject to any restriction.

7. I think the 'administrator' is merely the agent through whom the Trustees are to act in carrying out the trust purposes, and that he is under their control and has no title to the custody or investment of the Trust fund, or to interfere with the discretion of the Trustees. I may add that the Will, in my opinion, contemplates that the whole Trust fund should be expended within ten years. The Trustees will have to submit accounts to the Charity Commissioners under Sec. 61 of the Charitable Trusts Act, 1853, and Sec. 44 of the Amending Act of 1855. It is possible that the Court would recognise the title of the Attorney-General to insist on the trust purposes being embodied in a Scheme at the instigation of the Commissioners, but I hardly think that this is likely to occur.

Three points in this Opinion are especially interesting. First, Haldane himself raised, although rebutting, a doubt about the legality of the whole bequest in view of the possible illegality of the Fabian Society aims. Secondly, he confirmed the right of the Trustees to act (within the general purposes indicated by the Will) without consultation with the Fabian Society. Thirdly, he advised that the provision of public instruction in economic and political science was (among other possible activities) a proper use of the Trust funds.

It has often been repeated—by Sidney Webb himself among others—that the use of the Hutchinson money for the School was justified by the argument that anyone who studied the facts of economics was bound to become a socialist. Haldane's opinion on the legality of the proposed proceeding makes no reference to that argument although it is just possible that Webb put it to him in the private letter referred to in his letter of 6 October to Mr. Whiston, which has not been traced. The opinion was none the less quite explicit and—if a non-lawyer may be forgiven for expressing a view—appears fully justified by the terms of the 'basis and rules' of the Fabian Society, without any need of more casuistic support.

The purport of Haldane's opinion seems to have been communicated to the Fabian Society Executive. The October issue of the *Fabian News* had contained a note to the effect that

the Society's work could be expected to be considerably helped by Hutchinson's Will and promised full details in the next issue. Shaw's letter of 28 September also indicates an expectation that a full statement would be published. But Shaw further indicated that the Executive, anxious as they might be to get some control themselves over the Trustees, saw dangers in the possibility of control passing to the membership as a whole. The risk of members feeling that their Society was now handsomely endowed and no longer needed their personal support is alluded to in Beatrice Webb's diary and is specifically mentioned in the final Report prepared by the Trustees in 1904. After a further postponement, the *Fabian News* of December 1894 contained the following announcement:

> According to information received, this is expected to amount to about £9,000. The fund is vested in five trustees, viz., Constance Hutchinson, William Clarke, W. S. De Mattos, E. R. Pease, and Sidney Webb. Counsel's opinion has been taken as to the terms of the trust, from which it appears that the trustees, who are alone responsible, have a very wide discretion in their application of the fund, except that the payment of the expenses of Parliamentary or other candidates is excluded. The Executive wish it to be clearly understood that the fund does not come under their control, and that the continuance of the Society's current work remains no less dependent than before upon the subscriptions of members.

Webb had thus secured explicit and public acceptance of the wide discretion vested in the Trustees and the lack of any power in the Executive to control them. The Executive had not quite lost interest and over a year later, in April 1896, asked for information about the progress of the Trust, but no regular practice developed of reporting to them and no further details seem to have been published except as regards the Trust's direct gifts to the Society itself.

Nevertheless the Trustees were still required to act within the basis and rules of the Fabian Society and it is evidence of the care they took in that respect that a copy of them is pasted into the Minute Book alongside Haldane's opinion. Two passages were relevant and were in fact quoted in the final report of the Trustees already mentioned; the Society 'seeks to promote . . . the spread of Socialist opinions and the social

and political changes consequent thereon . . . by the general dissemination of knowledge as to the relation between the individual and society in its economic, ethical and political aspects'; and its 'work takes at present the following forms: . . . the further investigation of economic problems and the collection of facts contributing to their elucidation'.

Before leaving the question of the interpretation of the Will it is interesting to record that if the whole business had arisen today it is probable that the bequest would have been invalid for reasons which apparently never occurred to Webb or Haldane or the solicitors. I am indebted to Professor L. C. B. Gower for the following statement on the effect of certain modern developments of the Law:

In 1894 the main worry of the lawyers seems to have been lest the purposes of the Fabian Society might be regarded as subversive and therefore illegal. Having rejected this, Haldane appears to have assumed, without argument, that the trust for 'the propaganda and other purposes of the (Fabian) Society and its Socialism, and towards advancing its objects in any way . . .' was a valid charitable trust. Undoubtedly at this time it was widely believed that providing the objects of a trust could be regarded as broadly covered by the rubric 'the relief of poverty, the advancement of religion or education, and other purposes beneficial to the community . . .' it would be upheld as charitable, and that the courts would be reluctant to substitute their views of what was for the public benefit for those of the donor. Thus in 1898 a gift for the maintenance of a village club and reading room 'to be used for the furtherance of Conservative principles and religious and mental improvement, and to be kept free from intoxicants and dancing' was upheld as charitable.[3]

In 1917, however, Lord Parker of Waddington, in an oft repeated dictum[4], declared that:

> . . . a trust for the attainment of political objects has always been held invalid, not because it is illegal, for everyone is at liberty to advocate or promote by any means a change in the

[3] Re *Scowcroft* (1898) Ch. 2, 638. Here respectable Conservative principles were underpinned by religion and temperance (even so, later cases suggest that the gift could only be upheld if the basic object had been religious: cf. Re *Hood* (1931) Ch. 1, 240, C.A.).

[4] *Bowman v. Secular Society* (1917) A.C. 406 at 442.

> law, but because the Court has no means of judging whether a proposed change in the law will or will not be for the public benefit, and therefore cannot say that a gift to secure the change is a charitable gift.[5]

and in 1923 Russell J. observed:[6]

> Subsidising a newspaper for the promotion of particular political or fiscal opinions would be a patriotic purpose in the eyes of those who considered that the triumph of those opinions would be beneficial to the community. It would not be an application of funds for a charitable purpose.

Later cases have strictly applied this distinction between what is exclusively charitable and what is, or may be, political. Thus the objects of the Bonar Law Memorial Trust[7], the National Anti-Vivisection Society[8] and the Oxford Group[9] have been held not to be exclusively charitable. So has a trust for education 'on the lines of the Labour Party's Memorandum'[10] and another to 'strengthen the bonds of unity between the Union of South Africa and the Mother Country, and which incidentally will conduce to the appeasement of racial feeling between the Dutch and English-speaking nations of the South African community'.[11]

Having regard to these decisions it would, today, hardly be arguable that the Hutchinson Bequest was charitable. Ironically, the bequest would have been valid only if it could have been interpreted in the way which Webb opposed, namely as an out-and-out gift to the Fabian Society. In that event the members of the Society could have done what they liked with it and could, had they been so minded, have set up an educational trust to establish the School.[12] But as it was the gift was pretty clearly invalid—though had the trust subsisted until 1954 it might conceivably have been validated by the Charitable Trusts (Validation) Act of that year. Subject

[5] 'I venture to add as a corollary to that statement that it would be equally true to apply it to the advocating and promoting of the maintenance of the present law, because the Court would have no means in that case of judging whether the absence of a change in the law would or would not be for the public benefit' per Vaisey J. in Re *Hopkinson* (1949) 1 All E.R. 346 at 350.

[6] Re *Tetley* (1923) Ch. 1, 258 at 262.

[7] *Bonar Law Memorial Trust v. I.R.C.* (1933) 49 T.L.R. 220.

[8] *National Anti-Vivisection Society v. I.R.C.* (1948), A.C. 31, H.L. over-ruling Re *Foveaux* (1895) Ch. 2, 501.

[9] *Oxford Group v. I.R.C.* (1949) 2 All E.R. 537, C.A.

[10] Re *Hopkinson* (1949) 1 All E.R. 346.

[11] Re *Strakosch* (1949) Ch. 529, C.A.

[12] Cf. Re *McDougall* (1957) 1 W.L.R. 81.

to this possibility of subsequent legitimation one is forced to conclude that even if the School is not, as many have alleged, itself a bastard, it was the child of one.

If the decisions referred to by Professor Gower had been made sixty years earlier it seems likely that there would never have been a Hutchinson Trust and presumably never a London School of Economics either. We may perhaps be grateful that the lawyers of the time were less perceptive of the true state of the law and therefore that the child was allowed to be born with however dubious an ancestry.

CHAPTER 3

THE DECISION TO START THE SCHOOL

HAVING got the legal powers of the Trustees confirmed, Webb proceeded to the next stage in his cautious approach to his objective, that of consultation with representative members of the Fabian Society about the main purposes for which the Trust moneys should be used. At a meeting on 17 November (again attended by Webb, Pease and De Mattos) the Trustees, besides approving some elaborate Standing Orders, agreed to invite suggestions from each of the members of the Fabian Executive. On 27 November, Webb wrote to them and also to 'some other' members of the Society, indicating certain tentative ideas of how the Hutchinson money should be used and asking for suggestions. His tentative ideas were set out as follows:

The Hutchinson Trustees would be very glad if you would help them with any suggestions as to the best way of using their funds.

They feel that so large a bequest places on them the responsibility of setting on foot important and substantial work, not necessarily all of one kind, which may be calculated to exercise a solid and lasting influence in aid of Collectivist progress. It seems clear that this work should be educational in character, and there might be some advantage in the Trustees paying special attention to any department which is not being adequately attended to by existing agencies. The most pressing needs of the Collectivist movement in England at the present moment appear to be (1) a wider diffusion among the people and especially among Socialists and I.L.P. members of accurate knowledge as to the economic bearings of public administration; (2) further research into the unsolved problems of municipal and national government, so as to renew and freshen the propaganda; (3) the attraction to these studies of clever and educated recruits.

Whether these, or any other ends should be specially aimed at by the Trustees, and if so, in what way they can best be attained, demands careful consideration.

The Trustees would be very grateful for any suggestions, however slight, that you could give them. They should be sent to me within the next fortnight.

The Minute Book contains a copy of this letter and records that eight replies were received; the replies themselves are in the Passfield Papers. The writers include six members of the Executive (though not the best-known—Bland, Olivier, Shaw or Wallas) and two other members. None dissented in principle from Webb's broad ideas, though most of them had particular projects to suggest, including the starting of a Fabian newspaper; special attention to international studies; and a correspondence school, the passing of whose examinations should be a prerequisite for anyone wanting to call himself a Fabian. One, J. F. Oakeshott, said that he had heard from Wallas of the idea of starting a School of Political Science and heartily approved of it. Oakeshott, besides being an active member of the Fabian Executive, was later to be a member of the L.S.E. Administrative Committee—and the father of one of its Professors.

The last of these letters was dated 29 December 1894 and it was not until 8 February 1895 that the Trustees met again. In the meantime, however, Webb had been having other discussions. W. A. S. Hewins records consultations about the end of 1894 about an institution which would combine theoretical study with the kind of commercial education which was the concern of the Technical Education Board recently set up by the London County Council; and Webb referred in his private letter of 3 January 1903 to consultations with Constance Hutchinson. The meeting of 8 February 1895 is the only one at which all the Trustees except Constance Hutchinson (who had left for America in October 1894) were recorded as present. No doubt Webb made a special effort to get a full attendance in view of the importance of the decisions to be taken. Webb submitted his ideas in a written memorandum which deserves reproduction in full as the first record of what he had in mind. It reads:

After a great deal of discussion with all sorts of authorities, it seems to me clear that we should make it our main object to promote

education—not mere propaganda in the parties or controversies of the hour, but solid work in economic and political principles.

The greatest needs of the Collectivist movement in England appear to me

(*a*) An increase in the number of *educated* and able lecturers and writers, as apart from propagandist speakers;
(*b*) The further investigation of problems of municipal and national administration from a Collectivist standpoint. This implies original research, and the training of additional persons competent to do such work;
(*c*) The diffusion of economic and political knowledge of a real kind—as apart from Collectivist shibboleths, and the cant and claptrap of political campaigning.

All this means attracting and training clever recruits, setting them to do work on social problems, and then using them to educate the people. Ten years of this work might change the whole political thinking of England. We might, of course, throw ourselves unreservedly into organising a kind of 'University Extension' lecturing on social and economic subjects all over England. But the difficulty would be to find the staff of lecturers, able and trained in our questions, sympathetic to our views, and really competent to do what we want. I do not know more than one or two such persons who would be at all likely to be available for the work. A mere increase in the number of Socialist orations, however good, is not what we want.

Moreover, even from the propaganda side the material needs 'freshening'. We have all rather worked ourselves out. New investigations and original research—historical, statistical, economic and political, is indispensable. We want, too, new blood.

Putting together all these views and requirements it seems to me that we should do well to establish two distinct sides to our work, and develop each of them as circumstances demand. We need a *School of Investigation and Research*; and we need *educational lecturing* to spread the results of such a school. At first, the investigation and research should take the greatest place. Gradually the educational lecturing might expand as we obtained lecturers.

The following outlines may serve as a basis for discussion.

The London School of Economics and Political Science

To arrange for original lectures on all topics within its scope: to pay well for such lectures, and to order them in advance, so as to

secure new work; to be scientific, not partisan; to be under a Director, who should receive a salary, part of his time, perhaps taking always one course of lectures. The object of the School to be primarily research, and the training of researchers—the public lecturing being only a part of the purpose (a means rather than the end). The subjects I thought about as such as we could take up at once and get good work done are the following. (Chosen rather because I know of suitable men available.)[1]

The History of the Regulation of Wages by Law, and its results.
Growth and development of English Working Class movement (Chartism, etc.).
The Working of Democratic Machinery (home and foreign).
Arbitration and Conciliation, Sliding Scales, etc.
Railway Economics.
Factory Act experiments.

Of course many other topics could be suggested, when the men can be found.

I can see my way to starting such a *School* in London next October, if it can be agreed upon at once. The experiment would not cost more than £500 for the first year. It would make a great public sensation, and would, I am convinced, 'catch on'. If not, it need not be continued.

I should propose that £500 be appropriated to the purpose, and the experiment be tried. I can give details at the meeting.

I believe such a School could get support from the Technical Education Board, to enable it to have other lectures—e.g. on Currency, Commercial Geography, etc.—which would supplement ours.

In connection with the *School*, we should I think, start a series of publications (say half-a-crown books). *Not more propaganda* but serious and original studies, or else translations and reprints. These would pay their way, if well done, but we should have to find the capital. It would be all-important to start with volumes of solid and real merit. I have thought of the following:

Translation of Condorcet's *Vie de Turgot*, with introduction and notes (The Economist as Administrator).
Documents illustrative of the Legal Regulation of Wages.
Documents illustrative of the Industrial Revolution.

[1] This concedes in advance the truth of a criticism to be made later by Alfred Marshall about the way the School's lecture programme was made up.

These two proposals, viz.

£500 to start, experimentally, a London School of Economics and Political Science;

£150 for the Fabian Society to organise, during 1895–6, country lecturing on the 'University Extension' plan

are all that I make at present. These two plans (with their developments) would, if successful, soon take all our funds, and I suggest trying the experiments first.

The proposals relating to the School are very typical of the thinking of the Webbs, with their great emphasis on research and their concern for the study of actual working institutions rather than theoretical ideas. It has been suggested that the example of the Paris Ecole des Sciences Politiques influenced Webb, but the evidence hardly supports the idea. The syllabus of the Ecole at that time was much more formal, deeply impregnated with legal study and strongly vocational (i.e. designed mainly for Government officials). It had been referred to with apparent approval in the Report of the Committee on the proposed Gresham University in London (1894) who contemplated, indeed, that in the future University of London economics should be taught within the Faculty of Laws, as in Paris (see C.7529, 1894, pp. xliii and xlvi) and Webb referred to the Ecole as well as other foreign institutions in the first prospectus of the School as showing how far behind other countries Great Britain was falling. Reference has already been made to a letter written from the U.S.A. to Graham Wallas in October 1888 which showed that Webb was then impressed by the teaching of economics at Massachusetts Institute of Technology. But the evidence suggests that he used these and other foreign examples for purposes of persuasion rather than as models.

His dual plan, as recorded, must rather have seemed to his fellow trustees to contain echoes of things already familiar to them as Fabians. For years the Fabian Society, as well as organising lectures of a directly propaganda kind, had been running successive series of lectures of a more fundamental and objective kind, generally half a dozen or so in the spring and a similar number in the autumn of each year. Most of them

were concerned with various implications of Socialism, but the titles included more general subjects such as 'The Industrial Revolution', 'The Conditions of Self-Government' (by Graham Wallas) and 'The Tenification of London' ('Tenification' being a plan to divide London into some ten municipal boroughs). These lectures, unlike the routine propaganda lectures, were reported in some detail in *Fabian News* and clearly many of them involved some research. It was natural enough that Webb should feel that something more fundamental still, going beyond a single, unrepeated, lecture, was needed; and, just as these Fabian Lectures were occasionally given by non-Fabians, Webb felt the need to open up the field of lecturers much more widely. But his plan still bore the strong resemblance to the Fabian lecture series that the subjects to be considered were specific and practical. No lectures on basic theory were mentioned, or indeed included in the new School's first programmes. Classes on economic theory are mentioned in 1897 but only in 1898 is any really systematic course, under Edwin Cannan, mentioned in the Calendar. While, therefore, it may be that the mode of presentation was the one most likely to appeal to a Fabian group it is not improbable that Webb's own thinking was, perhaps more than he later found politic to admit, a development of Fabian experience. In one of the early Minutes of the Trustees the scheme for the establishment of the School is in fact referred to as the 'London Lectures' scheme and that may be a revealing slip of Webb's pen.

After discussion the Trustees approved both the projects put forward, the 'London School' and the 'Country Lectures'. We can thus identify 8 February 1895 as perhaps the most important date in the School's history, the date when the decision was taken to create it.

On that day too the Hutchinson Trustees appointed the first of the School's Directors—not W. A. S. Hewins, generally counted as the first, but Graham Wallas. However, at their next meeting, on 28 March, Wallas came in person to decline the offer and the Trustees appointed W. A. S. Hewins instead. There remains a little mystery whether Wallas changed his mind or whether, as he afterwards implied, he had never been intended to do more than hold the job until someone else was

available. More speculatively, may one wonder whether Webb's co-trustees were initially as happy as he was to see the key post filled by a non-Fabian in the shape of Hewins and whether there was a little stage managing about the offer and refusal, designed to demonstrate that an effort had first been made to get a Fabian Director?

Hewins at that time was a tutor at Pembroke College, Oxford; he had acquired some reputation as an economic historian, was active in University Extension work, and had been an unsuccessful candidate for the Tooke Chair of Economics at King's College, London, in 1891. Beatrice Webb relates how she and Sidney had made Hewins's acquaintance accidentally when working in the Bodleian Library. They had been at once struck with him, partly because, although not a socialist, he was in revolt against the then orthodox economics and, as already mentioned, Webb had consulted Hewins before presenting his scheme for the School. Hewins's appointment was to date from 1 April, 1895; his salary was to be £300 p.a.; and his duties included the giving of one or more courses of lectures and the general editorship of a proposed series of publications as well as the Directorship. The minutes of the meeting of 28 March also recorded an understanding (which was conveyed to Hewins in a letter of 29 March from Webb formally offering him the appointment) that the Trustees 'would be prepared to give the scheme a fair trial and to set aside £2,000 so as to enable the scheme to go on for three years unless it should become patently impossible and be abandoned by common consent'. This gave the new Director some little security of tenure, but was the nearest approach ever made to an endowment. No formal setting aside of the £2,000 in a separate account or otherwise ever took place.

The Trustees met again a few weeks later, on 22 April, to hear and approve a progress report on plans for the School and Webb's approach to the Technical Education Board, which had been foreshadowed in his initial memorandum. That Board had been created two years before, following a recommendation from a Committee set up on Webb's proposal and a full report on the question of technical education prepared by Mr. (afterwards Sir H.) Llewellyn Smith. Webb himself had

proposed, on 28 April 1893, the motion in the L.C.C. for the formation of the Board and when it was passed, after much debate, he had been elected Chairman at its first meeting on 28 April 1893. At a meeting of that Board on 6 May 1895 Webb presented, and got approved *nem. con.*, the following report from the Finance and General Purposes Committee of the Board:

It will be remembered that the London Chamber of Commerce has more than once urged the Board to assist it in its efforts to promote Higher Commercial Education, and that Mr. Llewellyn Smith included the subject in his report, recommending that £2,000 should be allotted to the purpose in the very first year (chapter xi, pp. 42–5). This chapter of Mr. Smith's report is the only one on which the Board has, up to now, taken no action, no suitable opportunity having presented itself. Latterly the Board has been more than once approached by members of the Chamber of Commerce and others, as to the importance of something being done to provide higher and wider instruction in commercial subjects, in order to prevent the English clerk from being ousted by his better educated German rival. It should be remembered that among the subjects specially included by the Science and Art Department under Technical Education, as 'required by the "circumstances" ' of London, are:

Banking and Financial Science.
Commerce (principles of).
Commercial Law, History, Geography.
Arithmetic and Correspondence.
Insurance.
(Order of 28 November 1893.)

and that, after the clothing and building trades, 'clerks' (numbering over 100,000) form the next largest London industry.

There appears now to be an opportunity for the Board to do something at small expense to satisfy the desire of the Chamber of Commerce, and to try the experiment of providing the means of higher commercial education. During the past year a course of lectures (confined to clerks of subscribers) has been given by Professor W. J. Cunningham, of Trinity College, Cambridge, under the auspices of the Chamber of Commerce, at its rooms in Eastcheap. These lectures have been well-attended, and have been considered in every way satisfactory, and it is desired to repeat and enlarge the

courses next winter, and, if possible, to make them part of a systematic course of instruction.

In the meantime arrangements have been made for the establishment, in June next, of the 'London School of Economics and Political Science', out of certain private trust funds which have been made available for the purpose, with a view to co-ordinating and developing the teaching in these subjects, including commerce. Professor W. A. S. Hewins, M.A., of Pembroke College, Oxford, has been appointed director, and has the cordial co-operation of Professor H. S. Foxwell, of University College, and Professor W. J. Cunningham, of King's College. Active work will be begun in October next, including both lectures and systematic class teaching.

The Society of Arts has agreed to place its lecture hall gratuitously at the disposal of the school, and the Chamber of Commerce will, it is understood, do the same, if the specially commercial side is developed.

Funds do not at present admit of the commercial side of the scheme being developed unless the Technical Education Board will assist.

If, however, the sum of £500 could be granted, the desires of the Chamber of Commerce could be met, and a series of courses on commercial subjects (such as commercial law, commercial history, foreign tariffs, foreign banking, commercial geography, &c.) could be given in the large room which the Chamber would lend free for the purpose.

It is not proposed to ask for aid from the Board towards any but the purely commercial side of the work, carried on in the rooms of the Chamber of Commerce, leaving the other, centred at the Society of Arts, to be paid for out of other funds. The lecturers and their subjects should be approved by the Board in consultation with the Chamber of Commerce.

We recommend:

> That a sum not exceeding £500 be appropriated for the year 1895–6 in respect of Higher Commercial Education as suggested, on the understanding that the proposed subjects and lecturers be submitted for the approval of the Board in consultation with the London Chamber of Commerce, and that the Board's grant be restricted to such lecturers and subjects.

Later, at a meeting of 20 May the Board approved the detailed list of lectures in a number of 'commercial' subjects, including Commercial and Industrial Law, Commercial

History, Commercial Geography and Trade Routes, Currency and Banking, Foreign Tariffs and Industrial Arbitration and Conciliation.

The good will of the London Chamber of Commerce and the Royal Society of Arts was also secured. Hewins appears to have been the contact with the Chamber. As related in Lady Beveridge's *An Epic of Clare Market*, he attended a meeting of the Chamber's Commercial Education Committee on 27 June 1895, when he described the Hutchinson bequest of £10,000 as available for lectures on economics and commercial subjects but said that 'the School would not deal with political matters and nothing of a socialist tendency would be introduced'. Enquiry was made about the apparent omission of railway economics from the prospectus and the reply was given that lectures on this subject would be given at the School's own premises, by W. M. Acworth. The general scheme and the principles enunciated by Hewins were accepted and it was agreed that the lectures on commercial subjects would be given, in the evenings, under the auspices of the Chamber and largely in rooms provided by them. The Royal Society of Arts also agreed to lend rooms.

It will be noted that in his submissions to the Hutchinson Trustees and to the T. E. B. Webb emphasised different aspects of the work planned for the new School. To the Trustees he stressed what we would now call the fundamental study of society and its institutions; to the Board he stressed teaching of a practical commercial value. His memorandum to the Trustees, in which he declared 'the object of the School to be primarily research and the training of researchers' and relegated all the public lectures to the category of 'a means rather than an end', no doubt represented what he himself regarded as most important. But there was nothing dishonest in his tactics of persuasion of the T.E.B. He did also believe in commercial education, as so much of the other work he did on the Board itself shows; he made no secret of the fact that the School would have another side as well; and the School did from the very start provide lectures in the subjects which he had held out as bait to the Board. He envisaged an institution with two purposes and he emphasised to each of his financial

backers that one of the purposes which was of most interest to them. As will be seen when we come to look at the actual courses provided in the earlier years, the dual inspiration continued and the School went on providing for various forms of 'practical' education as well as for the fundamental study. Indeed the duality has never been entirely lost although the fundamental and academic side has now greatly outgrown the 'practical'.

The Trustees met again four times before the actual opening of the School in October 1895. On 31 May they approved the taking of a lease of premises at 9, John Street, for a period of nearly two years, to March 1897, of fees at the rate of £3 per session, of provisional arrangements for lecturers and of a draft prospectus; they also approved of an agreement with Longmans, Green & Co. for the publication of books on behalf of the new institution. Progress in carrying out these arrangements was reported on 21 June and again on 29 July, when Hewins also attended the meeting. Finally on 30 September, just before the opening, Hewins attended again to report final arrangements and to get authority (apparently rather belatedly) to buy some furniture at a cost of £30, and for the appointment of Mr. H. Snell (later a Labour M.P. and Lord Snell) as clerk and general assistant at 35*s*. a week.

These proceedings, recorded carefully and in more detail in the Minutes, make quite clear that in so far as there was a managing committee of the School at this time, it was the Hutchinson Trustees. The detailed arrangements were not merely reported to them but approved by them. The recorded details also re-emphasise how little finance was initially involved and how modest were Webb's practical ideas. He did not think in terms of the million-pound buildings and the spacious halls of residence that seem essential to new institutions today. With a few rooms in John Street rented on an annual lease, having appointed a Director, a secretary and a porter (Dodson, who was to stay with the School for some thirty years), he was ready to start.

Webb had in fact got a School, but he had one further battle, or at least skirmish, to fight before he could be sure it would be the School he wanted, a School of research, not

propaganda. Some leading Fabians, including Shaw and Ramsay MacDonald, while conceding legal control to the Hutchinson Trustees, thought they could exercise pressure on Webb as a good collectivist to see that the right kind of economics was taught. Again a letter of Shaw's gives a glimpse of the kind of argument that was going on in top Fabian circles. It was written on 1 July 1895, to Beatrice, not to Sidney—perhaps because Shaw alleged him to be suffering from temporary suspension of his wits, perhaps because Shaw believed Beatrice to be more sympathetic with his own views. It ran as follows:

I rode up this morning from Limpsfield, and was caught by the rain at Croydon; so that I reached home so encrusted with mud that I looked like the beginning of a very rough sketch of myself in clay for the statue that will no doubt some day be erected to me. A variety of complications ensued in consequence of some Réjane tickets having miscarried or not been sent; and the end was that I found myself too late for supper at Grosvenor Road, and pretty sure to have to spend Wednesday evening at home writing my article. So I knocked a few acres of clay off the bicycle, and started for Grosvenor Road for a late chat. In Soho Square, my pedal nut came loose, and whilst I was screwing it up the heavens opened; a sea of lightning dropped into the Square; and three drops of rain, each containing an imperial pint, dropped down the back of my neck as I stooped over the pedal. So I jumped up again and flew back here before the next drop had time to get down, and gave up the expedition.

I shall not be at the Fabian tomorrow because of the Two Gentlemen of Verona at Daly's. I have no ideas about the election, in which I don't take the smallest interest. I have not read a newspaper for weeks. I wanted you to tell me all about it.

What I wanted to say myself was about the Hutchinson business. At the last executive discussion of it Webb quite terrified me by showing an appalling want of sense of the situation; and my most violent efforts failed to wake him up: he kept on making exactly the speeches he makes to the Chamber of Commerce and the County Council (T.E.B.) about it. When Bond Holding and Martin began to stare with all their eyes, he first attempted to prove that Acworth was the greatest living authority on railways; then that his object was 'abstract research' (meaning a kind of research in which

Bosanquet and Miss Dendy would arrive at exactly the same conclusions and produce the same information as Wallas and Miss Stacy); then, feeling rather hurt at the evidence of scepticism of Martin as to the feasibility of this academic ideal, he hinted that the bequest had been left to him to dispose of as he thought fit, and that the executive had nothing to do with it. The general impression left was that the Hutchinson trustees are prepared to bribe the Fabian by subsidies for country lectures and the like to allow them to commit an atrocious malversation of the rest of the bequest; and that as the executive is powerless, the best thing to do is to take the bribe, and warn future Hutchinsons to be careful how they leave any money they may have to place at the disposal of Socialism. This won't do. First, Hewins must be told flatly that he must, in talking to the Guild of St. Matthew and the other Oxford Socialists, speak as a Collectivist, and make it clear that the School of Economics will have a Collectivist bias. Any pretence about having no bias at all, about 'pure' or 'abstract' research, or the like evasions and unrealities must be kept for the enemy. Second, Hewins must be told that he MUST get somebody else than Acworth and Foxwell to put in the bill. It is easy to say where are the men: the answer is that that is precisely what Hewins is being paid out of Hutchinson's money to find out. Third, the Collectivist flag must be waved, and the Marseillaise played if necessary in order to attract fresh bequests. If the enemy complains, it must be told that the School has important endowments the conditions of which are specifically Socialist; and that if the enemy wants specifically individualist lectures, he must endow too. Meanwhile the Fabian must be kept in mind of the fact that Acworth was chosen by the L.C.C.; and Webb positively must not declare that he is an authority on the subject, or indeed that he is anything but hopelessly wrong and invincibly stupid on it, which is the solemn truth.

You see we must be in a position at any moment to show that faith has been kept with Hutchinson. If Webb is ever publicly convicted of having served up the County Council and the Chamber of Commerce on toast to the ghost of Hutchinson, everyone will laugh and think it an uncommonly smart thing. But if he is even suspected of having tampered with a trust of ten thousand pounds from a private benefactor, then we shall lose our character for being straight in money matters; and none of us can afford to do that. And it is so very simple to avoid anything of the sort. All that is necessary is to avoid shocking the common sense of the public and the I.L.P. or Fabian critic by talking about academic abstraction

and impartiality. Even if such a thing were possible, its foundation out of Hutchinson's money would be as flagrant a breach of trust as handing it over to the Liberty and Property Defence League, since it was expressly left to endow Socialism. Further, the Fabian executive must not be told that it has nothing to do with it. It was by an act of special providence that Bland was absent on that disastrous occasion. He would certainly have moved then and there that the subject be dropped and that the Fabian executive, having no control of the Hutchinson bequest, declines to make itself responsible for its administration by discussing it in any way. To me the attitude of Martin, who is quite friendly to us, is very alarming. He is willing to admit good-naturedly that nothing else could be done; but it is quite evident that he also feels that if the money had been left to him, he would have managed very differently. Much more terrifying is the temporary (let us hope) suspension of Webb's wits. The moment I read that prospectus in the Chronicle, I saw that it would have to be carefully explained to the Fabians. My dismay when Webb did not even understand why the subject had been put on the agenda paper was acute. Please show him this letter and allow it to rankle.

G.B.S.

P.S. I hear that Leonard found you in Battersea Park bathed in gore. I have grown callous about such things by this time. I have had half a dozen accidents: in fact, I seldom achieve a ride now without one.

No doubt Webb saw this brilliant display of Shavian fireworks but it does not seem either to have rankled or to have changed his course. The School opened in John Street in October 1895 with its non-Fabian Director and a fine politically mixed bag of lecturers and began its career as a centre of that objective study of social facts which Shaw thought so absurd.

CHAPTER 4

THE FIRST SESSION

The absence of any dominating Socialist flavour among the initial group of lecturers at the School is shown by the following full list:

W. A. S. Hewins, M.A., Director of the School, later Conservative M.P. (Twenty lectures on 'The State in relation to Industry and Commerce', twenty lectures on 'The History of English Commerce' and various classes in economic theory and history.)

Rev. W. Cunningham, D.D., D.Sc., Tooke Professor of Economic Science and Statistics, King's College, London. (Three lectures on 'The Economic Effect of Alien Immigration'.)

A. L. Bowley, M.A., later Professor of Statistics in the University of London. (Classes in Statistics.)

W. M. Acworth, M.A. (Six lectures on 'Railway Economics'.)

H. J. Mackinder, M.A., F.R.G.S., Reader in Geography of the University of Oxford, later Director of the School and subsequently Professor of Geography in the University of London and Conservative M.P. (Twenty lectures on 'The Influence of Geographical Conditions on Commercial Development; Trade Routes, etc.')

J. E. C. Munro, LL.D., formerly Professor of Law, Owens College, Manchester. (Twenty lectures on 'The Law in relation to the Exchange and Distribution of Wealth'.)

H. S. Foxwell, M.A., Professor of Political Economics, University College, London. (Twenty lectures on 'The History and Principles of Banking in England'.)

The Hon. George Peel. (Six lectures on 'The Bank of France'.)

Edwin Cannan, later Professor of Economics at the London School of Economics. (Four lectures on 'The History of Rating'.)

E. J. Harper. (Six lectures on 'The Rating Question'.)
Graham Wallas, M.A., member of the Fabian Society, later Professor of Political Science at the London School of Economics. (Twenty lectures on 'The English Constitution since 1832'; and classes in political science.)

Some other points are worth noting from the first prospectus:

(1) It was claimed that 'the London School starts with the cordial co-operation of the leading economists and students of political science in the United Kingdom'; the claim was perhaps a little bold as there is no evidence of active support from, or consultation with, any economists other than those actually listed as lecturers.
(2) From the start tuition was organised through a mixture of lectures and classes, with the latter apparently relied upon for the more fundamental and systematic study.
(3) Although no degree or diploma was contemplated a three-year course for the more serious students, with some form of examination at the end, was planned from the start. Classes were to be organised at three levels, corresponding to the three years of the course, and initially students could join at any level according to their previous standards of attainment.
(4) Reference was made to the utility of some of the courses for such examinations as those of the Civil Service, London University, the London Chamber of Commerce, the Council of Legal Education, etc., although no formal preparation for them was proposed.
(5) It was made clear that the School would be open equally to men and women.
(6) The importance of a library and the intention of building up an adequate collection of books and reports were stressed.
(7) 'The special aim of the School,' it was stated, 'will be, from the first, the study and investigation of the concrete facts of industrial life and the actual working of economic relations.' With this in view the School would provide scientific training in methods of investigation and

research and afford facilities for such study, including the award of scholarships.

(8) Mention was made of the intention to issue a series of publications founded on research undertaken at or in connection with the School.

In the first term 203 students enrolled and there is no doubt of the School's 'catching on', to use the phrase of Webb's memorandum. It was well received by the general public, if we can judge by the volume of press cuttings which were preserved. The reports of the original announcement of the intention to open the School were all friendly in tone and many welcomed the venture as a much-needed attempt to fill a gap in British education. The *Echo* went further and on 8 July 1895 said, 'Next October a beginning will be made with what may yet turn out to be one of the greatest English institutions of the new age'; and on 8 October expressed the hope that the new University of London (which it over-confidently expected to be one of the earliest achievements of the new Government of Lord Salisbury) would 'place social science in the front of its list of studies' and 'offer the honour of incorporation to institutions of the type of this School of Economics.'

At the end of the session the total number of students registered was 281, of whom 87 were women.

It was all done with surprisingly little money. No endowment was made over by the Hutchinson Trust at the commencement or at any later date. It seems to have been accepted from the start that the Trustees would simply meet the net deficit, up to a quite small maximum; and in the first year they were called upon for even less than Webb's moderate initial estimate of £500. The other income consisted of fees, the L.C.C. grant and a few private donations.

So far as there was a managing committee of the School in the first session, the Minutes leave no doubt that it was the Hutchinson Trustees plus Hewins, who is recorded as attending a number of meetings from July 1895 onwards. Four more meetings are recorded in 1895 and nine in 1896. Regular reports were made of the arrangements for opening the School and its subsequent progress. Financial assistance was provided

in small sums as required in pursuance of the principle already noted of regarding the Trust as a financial longstop, ready to meet a deficit if other income fell short, rather than as committed to a regular subvention. Initially the Trustees met bills direct and paid Hewins's first salary cheque, but from September 1895 the School was provided with a separate bank account and the Trustees' support took the form of lump sums (£100 or £200 at a time) paid into that account.

Other progress was made by stages in the formal separation of the School from the Hutchinson Trust. In December 1895 the formation of a Consultative Committee from the lecturing staff was approved. This may be thought of as the embryo of the later Professorial Council and Academic Board, but there is no record of any activity on its part in the early years. More practically important was the decision in February 1896 to create a separate body of Trustees of the School—consisting, however, of the active members of the Hutchinson Trust, Webb, Pease and Clarke (De Mattos appears by this time to have ceased to take effective part). From then on the more detailed business of the School is recorded in the separate minutes of 'the Trustees of the School', who met, however, at precisely the same times and places as the Hutchinson Trustees. Indeed, as Clarke, Pease and Webb had also become Trustees of a small legacy from Constance Hutchinson, who died early in 1896, there were on two occasions more or less simultaneous meetings of the Hutchinson Trustees, the Constance Hutchinson Trustees and the Trustees of the School. It was, perhaps, a mark of separate identity that the 'Hutchinson' Minutes continue in Webb's writing, but the 'School' Minutes are in Hewins's.

The School Trustees, however, soon ceased to meet at all under that name. It was decided to create a larger Administrative Committee and this was constituted in October 1896 by the addition to Webb, Clarke and Pease of Beatrice Webb, Miss Payne Townshend (the future Mrs. Bernard Shaw), Bertrand Russell (now Earl Russell), William Garnett, Hubert Bland and Sidney Olivier. Several of these had already attended meetings of the School Trustees, apparently to advise on specific appointments—the two ladies attending when a Lady

Supervisor was being selected and Bertrand Russell for the selection of a research student. Of the six new members four were members of the Fabian Society and the other two (Garnett and Russell) were close associates of the Webbs; Garnett was then, and had been since its creation, Secretary to the Technical Education Board of the L.C.C.

A few other developments and beginnings during the first session are worth mentioning. Other lecturers were added to the original list: Bertrand Russell on German Social Democracy, Henry Higgs on The Physiocrats, and Hubert Hall (of the Public Record Office) on Palaeography. Bertrand Russell also figures as the founder of the first research Fellowship at the School; it was reported at the meeting of the Hutchinson Trustees on 2 December 1895 that he had donated £200 for that purpose, being the proceeds of a Prize awarded to him at Cambridge. A second Fellowship was founded for women only, by a lady who was at first anonymous but was later disclosed as Miss Payne Townshend.

Social life began very soon; the Minute Book contains Pease's own invitation to an 'At Home' (8 to 11 p.m.) given by Mrs. Sidney Webb on 14 December 1895 'to meet the Director and Professors of the London School of Economics and Political Science'. The unauthorised but colloquial use of the title 'Professor' can perhaps be pardoned! Another activity which was discussed and approved by the Trustees was a 'Summer Meeting', with lectures on economics and other subjects, to be held in the first half of August 1896, but there is no evidence that the idea came to fruition. A much more important aspect of the School's work which began to be discussed by the Trustees during this first session was the founding of a library to serve both the School and economic and social research workers generally, first mentioned as an idea at the meeting of 2 December 1895. The story of its founding and early growth is recorded in detail in Chapter 6.

Thus, within the first session we find many of the ideas and activities which were to be typical of the later history—lectures, classes, library, research workers, publications, social life and all.

CHAPTER 5

DEVELOPMENT, 1896–1901

No fundamental change in the character and methods of the School took place during the next five years. It grew significantly but not sensationally in size and elaboration, its courses and administration settled down to something like routine and the research which it had been founded to promote began to blossom into results. The best way to indicate the story of these years is to deal with the various headings of administration, courses, finance, etc.

(*a*) *Administration*

The School had begun in small premises in John Street with a Director, a secretary-clerk and a porter. Already by the end of the first session both premises and staff were inadequate and the minutes of the first meeting of the Administrative Committee, held on 12 October 1896 record action taken on both matters. As authorised by the Trustees No. 10, Adelphi Terrace, had been taken to replace John Street. This appears to have been a 'find' of Hewins's but it was no doubt the Webbs who made the convenient arrangement with Miss Payne Townshend by which she became tenant of the upper part of the house, so reimbursing the School for part of the rent. Fairly substantial expenditure was needed on repairs, decorations, electricity and gas and the construction of shelving. Webb's estimate for these items was £300 and an equal sum was reported to be needed for fixtures taken over and new furniture. The staff employed for the second session was increased by the inclusion of a junior clerk (at 8*s*. a week) and a Lady Superintendent—whom we might now have called a steward-housekeeper—at £100 a year. Authority was also given to employ a Miss Appleyard temporarily to help in cataloguing books for the already growing Library. In addition, Sidney Webb, already elected as Chairman of the

Administrative Committee, was appointed as Honorary Treasurer and Acting Librarian, and Mrs. Webb as Lady Visitor, equally on an honorary basis. Webb's assumption of these offices was explicitly stated to be intended to relieve Hewins as much as possible from all business worries; and he continued throughout this period not only to take all responsibility for financial arrangements, but to attend to many of the details of, e.g. the work on Adelphi Terrace as well as doing most of the initial work of building up the Library. He was, incidentally, able to report at the first meeting of the Administrative Committee that 1,500 volumes were on the shelves.

This administrative structure continued throughout this period, but in January 1897 Snell gave up his position as secretary-clerk in order to undertake lecturing for the Fabian Society and was replaced by J. McKillop, previously the holder of a Research Studentship at the School. About the same time Miss Mactaggart, who had been acquainted with McKillop in Australia, was appointed as Secretary to the Director. McKillop and Miss Mactaggart lived for many years in a state of rivalry as to their respective functions. McKillop was involved particularly in the management of the Library and Miss Mactaggart, who remained in office until 1919, gradually built up the position occupied by subsequent Secretaries of the School.

(b) Courses and Student Numbers

Most of the original courses continued in substantially the same form throughout the period, but additions were made, and two trends can be distinguished. First, the strongly empirical flavour of the initial courses was modified by the inclusion of more systematic and comprehensive lectures and classes on theoretical lines, e.g. by 1897 Cannan, besides sharing with Hewins and others in a course on 'Descriptive Economics', was offering an elementary course on 'The Meaning and Use of Economic Terms and the Leading Principles of Economic Science' and an advanced course on 'Recent Additions to Economic Theory'; and by 1898 the latter had become more broadly 'The History of Economic Theory'. Secondly, the 'commercial' side of the School declined re-

latively to the political and theoretical; 'Commercial Geography' and 'Commercial History' had disappeared from the list of subjects of study by 1897/8, though the courses on railway economics flourished and important courses on commercial law were continued.

Looking at the successive prospectuses as a whole it would seem that in this period the mainstays of the teaching were Hewins himself on economic history and what we would now call applied economics, Cannan on economic theory (and also the history of local rating), Foxwell on money and banking, Bowley on statistics, Wallas on political institution, Mackinder on geography and Acworth on railways. Others who lectured in one or more sessions after those already noted in the first year, included F. Y. Edgeworth, Drummond Professor of Political Economy at Oxford (two lectures on 'Life Tables' in 1896/7 and two on 'The Theory of Bimetallism' in 1897/8), G. L. Gomme on local government, C. A. Montague Barlow on Commercial Law, E. C. K. (later Sir E.) Gonner (Professor of Economics at Liverpool) on economic history, Miss E. A. Macarthur, H. Llewellyn Smith, C. P. Sanger assisting Bowley on Statistics, G. Lowes Dickinson and F. W. Hirst. An interesting feature, reflecting the steady emphasis on training in research, was a department of 'Palaeography and Diplomatics' in which lectures were given by Mr. Hubert Hall. The expressed hope that this would develop into an 'Ecole des Chartes' was disappointed.

Student numbers, as already noted, increased, although not sensationally. As there were 'full' students and students attending individual courses, some coming for one term and some for a session, and as there was no formal examination or graduation, the statistics are a little confused, but returns made from time to time showing the 'total number of students entered during the session' were as follows:

1895/6 . .	285
1896/7 . . .	372
1897/8 . . .	378
1898/9 . . .	422
1899/1900 . .	435
1900/01 . . .	404

(*c*) *Finance*

The income of the School continued to be derived from the T.E.B. grant and miscellaneous donations. Detailed accounts of the School during these years are not available but the Hutchinson Trust record suffices to give a fairly clear picture of the position during this period.

From April 1895 when preliminary expenses during the period of preparation for the opening of the School began, up to the end of the School's first session, i.e. 30 September 1896, the part played by the Hutchinson Trust was predominant. Total payments to the School amounted, during that period, to £1,005 on general account and £133. 17*s.* 10*d.* as a special grant to provide capital for publications. During that first year the L.C.C. grant was only £500 and fees probably did not exceed £300. Inclusive of some small private donations the School's receipts over the eighteen months appear to have been approximately £2,000.

After the first year the Hutchinson Trust grant became far less both absolutely and relatively. The extra expense of the new premises in Aldephi Terrace was covered by the rent received from the sub-letting of part of the house to Miss Payne Townshend plus the payments made from 1897 onwards by the British Library of Political Science to cover its share of rent, rates, etc. In addition the L.C.C. grant was raised to £1,200 per annum from 1897–8 onwards. The Hutchinson Trust grant, which was fixed annually on the basis of the expected shortfall of the School's other income fell to £350 for 1896–7 and then settled down as a normal £200 per annum with occasional special grants to finance additional publications or other particular purposes, but never exceeding in total the figure of £350 paid in 1896–7. From 1897–8 onwards the annual income, exclusive of special receipts such as the gifts from Miss Payne Townshend and Bertrand Russell for research studentships, and grants totalling £233 from the Hutchinson Trustees specifically for the financing of publications, was approximately as appears at the top of page 57.

Information as to the School's expenditure is less complete and it is not easy to separate capital and revenue items (in

L.C.C. (T.E.B.) Grant	£1,200
Hutchinson Trust	200
Students' Fees	350
Proportion of rent, etc., paid by British Library of Political Science	400
Receipts from sub-letting to Miss Payne Townshend	270
Miscellaneous donations and other income	100
	£2,520

the initial period what we would now classify as expenditure on furniture and fittings was relatively high, although not absolutely, as the amounts involved were no more than a few hundred pounds). Normal expenditure in 1897–8, as shown in an estimate prepared by Hewins and included in the Hutchinson Papers, was as follows:

> Payments to the Director and lecturers, £1,325; staff and service, £400; rent, rates and taxes, £400; printing, stationery and postage, £200; publications, £100; and research studentships (partly but not wholly covered by special benefactions), £275. The total was £2,770.

These detailed figures bring out the catalytic character of the Hutchinson Trust grants. They provided all the preliminary expenses and about half the income of the School's first session; but once the institution was launched the Trust was contributing less than ten per cent of the School's income, the main burden of support falling to the L.C.C.

None the less, while the grant from the T.E.B. constituted the School's largest single item of income, there was always some danger that it might not be continued. It had begun at the rate of £500 per annum and a first application from Hewins for the grant to be increased to £1,200 for the year 1896–7 was refused. The following year, however, Webb was successful in getting the larger figure adopted for the year 1897–8. He seems to have believed that he had also some assurance that the grant would be renewed for 1898–9, but when the question of renewal for 1898–9 actually came before the Council he and Beatrice had embarked on a tour round the world. Hewins

had therefore to handle the matter in his absence, and he found some considerable reluctance, particularly on the part of the group in the Finance Committee and the Council itself who thought that the School was paying insufficient attention to commercial subjects. In meeting these criticisms Hewins drew up a statement of the courses approved, divided between commercial and non-commercial subjects, in which he appears deliberately to have put in the latter category certain courses which could well be considered as commercial in nature. This gave Garnett, as Secretary of the Board, the chance of drawing attention to the nature of these courses and so to get it established that practically the whole programme came within the sphere of interest of the Board. The Finance Committee of the L.C.C. was still, however, not entirely satisfied and insisted on asking a great many more questions, which Hewins had to answer in Webb's absence. When the matter finally came to the L.C.C. itself for decision Graham Wallas took the lead in replying to the criticisms and although there was a personal attack on Webb by William Crooks other members supported Wallas and in the upshot the grant was continued and was not thereafter in jeopardy until it became caught up with the larger discussions of grants to the reconstituted London University after 1901.

(*d*) *Research*

Reference has been made in Chapter 4 to the founding of the first research scholarships during the Session 1895/6. Four such scholars had been appointed by the beginning of the Session 1896/7: Miss E. Deverell, Mr. F. W. Hirst, Mr. J. McKillop and Miss Lilian Tomn (later Mrs. Knowles and Professor of Economic History at the School). In addition there were seven holders of free studentships awarded by the School and six free studentships had been promised to the London University Extension Board for 1897. Later holders of Research Studentships were Percy W. L. Ashley, H. E. S. Fremantle, Miss Beatrice Hewart, Miss Lettice Ilbert, Miss E. M. Leonard and Gilbert Slater. Several of these held studentships for more than one year and some were to retain as teachers or otherwise a long connection with the School.

The intention of publishing a series of books was also realised. By the end of the Session 1897/8 there had actually appeared—*The History of Local Rates in England* by Edwin Cannan, *Select Documents illustrating the History of Trade Unionism: the Tailoring Trade*, edited by F. W. Galton, and *German Social Democracy* by Bertrand Russell. Two others were in the press (*Local Variations in Rates of Wages* by F. W. Lawrence and *The Referendum in Switzerland* by Simon Deploige) and two others were nearly ready for printing (*The Economic Policy of Colbert* by A. J. Sargent and *History and Theory of the State Regulation of Wages* by Hewins). In a special report to the Education Department submitted at this time Hewins also alluded to the books and articles, said to number more than one hundred, published elsewhere by lecturers and others in direct and indirect association with the School. It was apparently already becoming clear that the actual publications of the School would be only a small part of the research work done by its teachers and students.

(*e*) *Social Activities*

It has already been noted that formal receptions had begun with an 'At Home' given by Mrs. Sidney Webb at the end of the School's first term. The practice continued; for example, on 27 February 1897, she and Sidney, appearing on this occasion as Chairman of the T.E.B., gave a reception at the School 'to meet the T.E.B. and L.C.C.'. Apart from formal occasions, reminiscences make it clear that there was a pleasant 'family' atmosphere in the School, helped by the frequent appearance of the Webbs and their friends and no doubt by the presence of Miss Payne Townshend as a permanent resident in the house and later, after their marriage, by Bernard Shaw's residence there too.

An 'Economic Students' Union' also emerged. When it was founded is not clear but it was already in existence in November 1897 with Miss Hutchinson and Mr. W. Rees Jeffreys as Joint Secretaries and on 19 February 1898 it held what was apparently its first Dinner. It was a more elaborate affair than student functions today, held at Frascati's with eight courses at a cost of 5*s.* 6*d.* a head (a fair price for those

days) and with no less than thirteen speeches on the toast list. The Chairman of the Union was C. M. Knowles, later to marry Miss Lilian Tomn, but it is typical that Miss Payne Townshend seems to have acted as practical organiser. The Students' Union seems to have had other regular meetings for discussions and debates but no mention of any intervention in the ordinary running of the School appears in the records.

CHAPTER 6

THE BRITISH LIBRARY OF POLITICAL SCIENCE

Sidney Webb had had in mind from the first conception of the idea of the School that there would need to be a library to support its work and especially its research side; and he began to make a collection of books for its use at once. Whether as part of a plan already formed or whether led on to it by the immediate success of the London School of Economics itself, he began very soon after the School's opening to work out a scheme for a considerable library. A memorandum dated December 1895 was put before the Hutchinson Trustees at their meeting of 10 February 1896, proposing a general appeal for donations towards a 'Library of Political Science' to be founded in conjunction with the London School of Economics. Webb reported a promise of £500 from Miss Payne Townshend and he and his fellow Trustees formally agreed to contribute a further £1,500 on the understanding that premises and books were secured for the free use of the London School of Economics and that the Trustees of the Library were nominated by themselves.

A draft public appeal seems then to have been prepared, based on Webb's memorandum of December 1895; a proof of this appeal is in the Minute Book, dated February 1896. Before issuing it to the public, however, the Webbs approached a number of possible donors. Beatrice's Diary (26 March 1896) reports the disappointment of certain high hopes of getting the whole amount required from either Mr. Passmore Edwards or Sir Hickman Bacon but smaller promises were obtained from a number of others. At the meeting of the Trustees on 30 March Webb was able to present a list of promised subscriptions stated in the minutes to total £1,300, including Miss Payne Townshend's £500, £100 from Sir Hickman Bacon, £100 from the Webbs themselves and a

long list of smaller amounts from eminently respectable citizens. A revised version of the appeal memorandum dated April 1896 seems then to have been given general circulation. This explains what were Webb's ideas and is reproduced in full below:

PROPOSED ESTABLISHMENT OF A LIBRARY OF POLITICAL SCIENCE

There is, at present, no library in England that deals, with any thoroughness, with Political Science. There is no place where the serious student of administrative or constitutional problems can find the material for his work.

The almost insuperable hindrance which the absence of such a library puts in the way of English students will be made clear by a few examples. At this moment there is perhaps no subject which presents more important problems than the development of local government, the powers and constitutions of municipal and other subordinate governing bodies, and the relation of these to the central government. These very problems are being actually dealt with in France and Germany, America and Australia; and the facts and experience of these and other countries are indispensable to any useful study of our own problems. But it is not only the Foreign and Colonial experience that is inaccessible. We have no systematic collection of the documents and publications of our own English local governing bodies. No library receives and preserves the reports of our Town Councils and School Boards. Neither the Local Government Board nor the Education Department undertakes this task, and, to give one instance out of many, it is impossible, at the present time, to find even a complete list of the towns possessing a municipal water supply. Any careful examination of the municipal experience of our own country is impossible. The very groundwork for any scientific knowledge of local administration is lacking. If we take particular departments of administration, we find the same need. The intricate problems of Poor Relief, for instance, including the treatment of the sick, the aged, and the unemployed, are being met and experimentally treated in nearly all countries, whose experience is pregnant with instruction. Public Education, too, is dealt with by all administrations, often with results from which our own students could learn much. The fiscal arrangements of other countries, especially with

regard to local government, are full of suggestiveness and warning. Foreign experience in railway rates and charges is of vital interest to the English manufacturer and agriculturist. But there is no place where the numerous and varied documents on these or other subjects can be studied, though they include reports, accounts and memoranda often of the highest significance to us. Even matters which have become topics of common public discussion are in the same position. It is, for instance, impossible for an English student to find, in any library in this country, the materials for a precise knowledge of the Referendum, or the Second Ballot, or of existing arrangements for the control of the Liquor Traffic.

The magnificent library of the British Museum contains, of course, much that is valuable on these subjects, and there can be no student of Political Science who does not owe a debt of gratitude to the unfailing courtesy and helpfulness of its administrators. But the British Museum library is mainly restricted to regular books (together with newspapers and Parliamentary blue-books) published for sale in this country. It makes no systematic collection of municipal or other official documents issued elsewhere than in London; it can pay but little regard to the publications of such important voluntary development as Trade Unionism, Friendly Societies, and Co-operation; it is only imperfectly supplied with Foreign books, and still more imperfectly with Foreign pamphlets; it receives only an infinitesimal proportion of the official documents of Foreign Administrations, those of local governing bodies being notably lacking; it is quite inadequately supplied with information as to the local government of our own Colonies, and still more inadequately with that relating to the Colonies of other nations; whilst of the privately printed reports, accounts, rules and other documents, which are often of the highest importance to the student, it is almost necessarily excluded from all but a few of the English organisations, and from practically all those of the Colonies and Foreign Countries. Nor can the British Museum be expected to supply this need. It cannot and ought not to focus its attention on any one subject, and provide a specialist library. Moreover, such material as it does supply is necessarily hidden away by the enormous mass of other matter, and the absence of special subject catalogues. As some index of the present need it may be mentioned that on none of the subjects above mentioned can a comparative study be made at the British Museum. The first requisite for such a study—an adequate collection of the official documents—is to be found in no public library in this country.

The result is that, in any serious study of Political Science, and especially in the scientific investigation of public administration, England stands, at present, far behind the United States, France, Germany, and Italy. In all these countries the student who wishes to devote himself to administrative or constitutional problems finds one or more centres of research, equipped with a considerable collection of the indispensable material. It is no exaggeration to say that some of the problems of Political Science most pressing in their importance to English administrators can be far better studied at the Johns Hopkins University, Baltimore (with its unrivalled Blüntschli collection of Swiss and other documents); or at Columbia College, New York; than anywhere in this country. A French nobleman, the Vicomte de Chambrun, has lately given no less than £80,000 for the establishment of a library and centre of research in Paris (Le Musée Social), not unlike what is now proposed for London.

The formation of such a Library of Political Science as is here indicated has become of special urgency in connection with the London School of Economics and Political Science. This School, which was established with the cordial co-operation of the leading economists and students of political science in the United Kingdom, and with the support of the Society of Arts and, on its commercial side, of the London Chamber of Commerce, aims at providing the same facilities in London as have long been furnished in Paris by the *Ecole Libre des Sciences Politiques*, and by several foreign universities. Although it began its classes and lectures only in October last, its success in attracting students has been immediate and most marked. Between two and three hundred men and women are now at work, more than a third of whom are going through a systematic three-years' course. The subjects dealt with in the lectures of the first two terms, besides a thorough treatment of economics and the methods of statistics, include the history and principles of banking and currency, commercial history and geography, the law relating to the exchange and distribution of wealth, the development of the English Constitution, the history of local taxation and the present incidence of rates; whilst special courses have been given on railway economics, trade routes, the referendum, alien immigration, and the administration of the Bank of France. Among the lecturers may be mentioned, in addition to the Director of the School, Mr. W. A. S. Hewins (Pembroke College, Oxford), Professor H. S. Foxwell (St. John's College, Cambridge, and University College, London; Rev. Professor Cunningham (Trinity

College, Cambridge, and King's College, London); Mr. J. E. C. Munro (late Professor of Law at Owens College, Manchester, and now Lecturer to the Council of Legal Education, London); Mr. H. J. Mackinder (Reader in Geography to the University of Oxford); Mr. W. M. Acworth, M.A.; Mr. Graham Wallas, of the London School Board; The Hon. Bertrand Russell (Trinity College, Cambridge); Mr. Edwin Cannan (Balliol College, Oxford); and Mr. A. L. Bowley (Trinity College, Cambridge, and Guy Silver Medallist of the Royal Statistical Society). Some of the work of the School will appear in its series of 'Studies in Economic and Political Science', published by Longmans, Green & Co., of which the first three are now in the press. But the studies and investigations of the School are seriously hindered by the absence of any Library of Political Science.

Such a library it is now proposed to establish. Vested in responsible trustees, and permanently secured by a deed of trust enrolled at the High Court of Justice, it would at once become an inalienable part of London's educational endowments. With the aid of a committee of specialists on each subject, it would set itself to acquire a systematic collection of all available material bearing on the structure and function of public administration, central and local, in all parts of the world. Besides purchasing books, it would place itself in communication with governments, municipal authorities, and voluntary associations exercising public functions all over the world, with a view to preserving, cataloguing and indexing all important official documents, reports, accounts, minutes, etc., not at present collected in any one centre. Promises of assistance in this direction have already been received, and it is confidently believed that nearly all governments and municipalities will gladly forward complete sets of their publications for preservation and record. Special attention will be paid to municipal and other local administration. Economics, jurisprudence and general history would form subordinate departments, the dominant central object being always the focussing of attention upon the actual facts and experiences of public administration. Besides serving the needs of the London School of Economics and Political Science, the new library will of course be open freely for use by public officials of every kind, researchers and investigators upon its special subjects, and all serious students.

The sum necessarily required for such a library is small in comparison with its utility; but small as it is, it cannot, as the law stands, be provided from public funds, either by the Education

Department, the Local Government Board, or the County Council. If England is to have a Library of Political Science at all, an appeal must be made to private donors. The first need is to secure a building in which the already accumulating collection can be housed. To build a suitable library on a central freehold site in London would cost probably £10,000. But no unnecessary expense need be incurred in bricks and mortar. A commodious old house could be acquired and fitted up for £5,000, and an urgent appeal is now made for this sum. Towards it, £2,100 has already been obtained on condition that the remaining £2,900 is given in time to secure the house by Midsummer next. Donations, small or large, are now earnestly requested. They may be sent either to the Treasurer of the Library Fund, Mr. Sidney Webb, LL.B., L.C.C., Chairman of the Technical Education Board, or to the Director of the London School of Economics and Political Science (W. A. S. Hewins, M.A.), 9 John Street, Adelphi, London: or else paid to the credit of the School at the London and County Bank (Covent Garden Branch).

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE,
9 John Street, Adelphi, London—February 1896.

One or two points are to be noted. The promised subscriptions had increased to a total of £2,850 inclusive of the Hutchinson Trust's £1,500. This appears, however, in the guise of 'the Building Fund of the London School of Economics' and, as in other public announcements of the time, no mention is made of the Hutchinson Trust. The objective was stated to be the acquisition and fitting up of a 'commodious old house' which was estimated to cost £5,000. In practice, as already recorded, the necessary premises, in the shape of No. 10 Adelphi Terrace, were rented, not bought. Webb may have argued that as no capital expenditure on a building was in fact incurred the promise of a contribution from the 'Building Fund of the London School of Economics' lapsed; anyway the records show that the £1,500 was never paid over by the Hutchinson Trust, whose total contribution to the Library amounted to only £500.

In fact it is clear that the funds subscribed to the new Library would not have enabled it to acquire a building at anything like the cost envisaged. Accordingly the decision, in effect, to share with the School in the renting of 10 Adelphi Terrace

represented the only basis on which the Library could have got started. At the same time it left a large part of the funds actually subscribed free for the acquisition of books. The formal arrangements about the joint occupation of the premises were not completed until December 1896 (after Library Trustees had come into existence) but meanwhile Webb, with the covering approval of the London School of Economics Administrative Committee, went ahead with fitting out the rooms and buying books. At the Administrative Committee's first meeting he reported book purchases to a total of nearly £400.

The Library was formally opened on 9 November 1896, as announced by Webb and Hewins in a circular to subscribers of 31 October. This also reported the donations received, explained their use for book purchases as they were inadequate for the acquisition of premises and for the first time introduced the 'British' into the Library's title. The drafting of a Trust Deed for the Library was mentioned at a meeting of the Hutchinson Trustees on 28 September 1896, and at the next meeting, on 16 November, Webb reported that it was about to be signed. It vested the Library in five Trustees, Clarke, Pease and Webb (the active members of the Hutchinson Trust and also Trustees of the London School of Economics) together with Miss Payne Townshend and Mr. R. B. Haldane. At the same time Webb reported that donations (presumably exclusive of the promised Hutchinson donation) had reached £2,128. The Trustees met formally on 23 November, when they signed the Trust Deed and approved of the proposals made by Webb on behalf of the School Committee for the terms on which the two allied institutions should share the cost of Adelphi Terrace. These were that the Library would pay half the installation costs, i.e. approximately £300, and an annual sum of £400 in lieu of rent, rates and taxes and all services. They also appointed Webb as Treasurer, Hewins as Director of the Library, and Beatrice as Lady Visitor, all without salary.

We may at this stage go back to consider why Webb thought fit to organise the Library in this particular way. The pleasantly intriguing legend is that he did it so that the Library, by

becoming the legal occupier of 10 Adelphi Terrace (while accepting the School as its tenant) could claim the exemption from rates which was available to appropriate institutions under the Literary and Scientific Institutions Act, 1843. There is no hint of that in any of the early correspondence and as has just been shown, the Library became the School's tenant rather than the other way round, and the arrangement between them initially contemplated payment of rates by the School. This remained the position throughout the joint occupancy of 10 Adelphi Terrace, the accounts showing regular payments by the Library to the School on account of rent, etc.; but none the less in May 1897 Webb was able to report to the Hutchinson Trustees that the exemption from rates had been obtained. It looks as if this taking advantage of the Act of 1843 was the result of second thoughts. The separate organisation of the Library seems to have been designed much more to give a basis for an appeal to a different, and wider, body of supporters than those who could have been counted on to contribute to the acquisition of a collection of books by the London School of Economics alone.

The minutes of the various bodies concerned contain careful record of these formal arrangements but give only occasional glimpses of the actual process of acquiring the books which are the real substance of a library. A few months after the signing of the Trust Deed in February 1897, the Trustees appointed a Library Committee. It was a large body, including most of the Administrative Committee of the London School of Economics and many of its lecturers; the full list seems to have been: Acworth, Miss Anderson, Bland, Cannan, Clarke, C. H. Firth, Foxwell, Gomme, Haldane, Hewins, A. W. W. King (of P. S. King & Co., publishers), Oakeshott, Mrs. Phillimore, Herbert (later Lord) Samuel, Miss Payne Townshend, Graham Wallas and Beatrice and Sidney Webb. It met six times during the next twelve months and although the first meeting was well attended later meetings normally consisted of less than half a dozen members, with Webb, Pease, Hewins and Miss Payne Townshend as usual the most regular attenders. Most of the others came, however, occasionally and it is clear from the Minutes of the Committee that it went in some detail into

questions of acquisition of books, by gift or purchase, as well as considering a scheme of classification put up by Hewins. Foxwell was elected as Chairman of the Committee but more often than not Webb or Pease acted as Chairman in his absence.

Statements were made from time to time of expenditure incurred (not always easily distinguishable or reconcilable) and both financial statements and lists of books presented or promised were, even after the coming into existence of the separate Library Trustees and the separate Library Committee, presented also to the London School of Economics Administrative Committee. In practice the work remained under Webb's direct control, formalised in his appointment (by the Administrative Committee, not the Library Committee!) as Acting Librarian.

Apart from soliciting gifts from his friends and from the original subscribers, in his circular of 31 October he wrote, *inter alia*, to the Town Clerks of all the Municipalities in the country asking for such published records as they might have available, and got quite a good response. Nor were foreign countries neglected; a printed circular in German appears in the Hutchinson Trust Minute Books, soliciting gifts of German publications. Earlier there is on record an offer for sale of a complete set of German Parliamentary proceedings and a complete set of the newspaper *Vorwaerts*, which the School Administrative Committee authorised him to purchase on 16 February 1897 at the offered prices of £30 and £5 respectively. The early Minutes of the Library Committee record gifts also from the U.S. Government, the State of Illinois and various U.K. Government Departments.

As already noted Hewins was styled 'Director' of the Library as well as the School, and Webb was Acting Librarian with a large hand in acquisitions; but the main burden of running the Library fell to McKillop who, while continuing nominally as Secretary of the School, came to devote himself more and more to the Library. He had various assistants at different times. Before the Library had been organised separately a Miss Appleyard had been engaged for a time in 1896 on cataloguing the growing collection of the School. The need

for cataloguing staff began to exercise the Library Committee very soon after they took control, although they deferred any permanent appointment for some time. For some time after 1897 some indexing work (on the municipal collection) was being done by Miss Hood, who had originally been appointed as Lady Superintendent of the School but retired because of ill-health and did the indexing at home. This mixing of School and Library appointments was the rule rather than the exception. A Miss Kate Corner, appointed in 1897, worked partly in the School office but mainly in the Library until 1900 when she was transferred wholly to School work when Painton, the first clerk or assistant to the Secretary, left. A Miss Summer appears to have been more exclusively devoted to the Library but served only from 1899 to 1901. Indeed by the middle of 1901 the Library was left for the time being with no assistant staff at all.

However, despite these staff vicissitudes, the Library continued to grow, acquiring books by continued donations from the kind of official sources already mentioned and from individuals and of course by steady purchase. In 1898 Hewins's report for the Education Department records it as containing 25,000 items (including pamphlets) and by 1904 the figure was put at 100,000 items. Well before the latter date the Library, like its senior partner the School, could be regarded as successfully launched with, indeed, a more formal public status than the School itself. The active members of the Hutchinson Trust still provided the core of the Committees concerned with the administration of both School and Library, with a growing circle of associates connected with one or both institutions, drawn largely from the Fabian circle (Bland, Oakeshott, Wallas) or from Webb's personal friends (Garnett, Haldane, Samuel) but with a certain 'professional' element represented by Foxwell, Cannan and other lecturers at the School and A. W. W. King from the publishing world. At the centre of all, chairman of the Hutchinson Trust, Chairman of the London School of Economics Administrative Committee, chairman at most meetings of the Library Committee, Treasurer of the School and Acting Librarian of the Library, was Webb himself.

CHAPTER 7

THE COMING OF AGE

During the years 1900 to 1901 three things happened which mark the firm establishment of the School as a permanent institution. It became a school of the newly organised University of London; it moved into a house of its own in a building newly erected for it; and it acquired a legal status and formal government. The three things were interconnected and, perhaps, each essential to the others. As usual Webb was the prime mover in each development.

Before describing these changes in more detail I would say a little about the position of the School at the turn of the century. It was well established and accepted as a centre of teaching in its field; its courses, although still undergoing modifications and additions, had settled down to a regular pattern; and, through its twin, the British Library of Political Science, it was steadily accumulating a library destined to be of unique significance. The air of informality and improvisation which had characterised its start—and perhaps formed part of its initial attractions—must, however, have been beginning to show some disadvantages. The students were nearly all part-timers and were hardly thought of as yet as ordinary university students; but it is reasonable to imagine that as time went by an increasing proportion would wish to see some formal recognition of the completion of their studies, something like a university degree. The teachers, too, were virtually all part-timers and engaged from one session to the next; but there must have been attractions in the greater stability of teaching arrangements which would come from incorporation in some way in a more formally recognised institution of higher education.

Beyond these problems of students and teachers, there was the financial position. It can never have been far from Webb's mind. As we have seen, the School had no endowment

and apart from fees and casual gifts had had only two regular sources of income, the L.C.C. grant and the donations made by the Hutchinson Trust to meet annual deficits. The latter were bound to come to an end before long—the Trust's capital was steadily being spent and indeed must, if the conditions of Hutchinson's Will were taken at their face value, be wholly spent by August 1904. The L.C.C. grant was an annual vote, dependent very largely on Webb's power to influence the T.E.B. Opposition developed there from time to time; some instances have been related above, and Webb must have felt that the continuance of the grant would be more firmly assured if it rested on something stronger than his personal status *vis-à-vis* both the School and the Board. There was also the financial position of the Library, closely bound up with that of the School. Initially Webb had appealed for £6,000 as a building fund. Only something over £2,500 had been forthcoming and the building project had been abandoned. The capital had then been used partly to buy books, partly to contribute to the costs of fitting up 10 Adelphi Terrace and thereafter partly in regular payments to the School for rent and services, at the rate of £400 p.a. The Library's income, apart from the small interest on the unspent part of the original donations, consisted only of such further donations as Webb could gather in from time to time and these were not even sufficient to cover the annual payment to the School for rent, etc. The exhaustion of its initial capital was therefore just as imminent as that of the Hutchinson Trust. At the same time the £400 a year went a very long way towards meeting the full cost of Adelphi Terrace, after allowing for Miss Payne Townshend's rent, and the School was in the position of getting the use of the premises very nearly rent-free. (On the other hand the Library seems not to have been charged with any part of the salary of Hewins, McKillop or other joint officers.) The approaching exhaustion of the capital of both the Trust funds by which the two institutions were in fact supported held out the prospect of very serious financial difficulties.

From every point of view, therefore, there was need of a firmer foundation for the School's future existence. The opportunity to make the first move was given by the decision,

incorporated in the University of London Act, 1898, to reconstitute the University of London and to empower it to bring within its ambit as recognised Schools teaching institutions of adequate standing in the London area. Once that status had been obtained it would be easier to obtain assurance of continued finance as well as capital for a permanent building. At the same time greater financial security and a more formal legal basis were in effect part of the conditions of acceptance by the University.

The passing of the Act of 1898 had been largely Haldane's work, with Webb in the background providing arguments and using his power as Chairman of the T.E.B., and therefore in control of a promised subsidy from T.E.B. funds, to influence the various parties. The report in 1894 of the Commission on the proposed Gresham University recommended a single University which would combine the then existing system of examinations for 'external' degrees with the examination of students who had taken an approved course at a college recognised by the University (i.e. internal students), but proposed a form of Government which found favour with none of the interested parties. Webb and Haldane devised a compromise constitution which seemed to have more chance of acceptance and got their scheme embodied in a Private Member's Bill introduced in the House of Lords. The Bill was, however, killed by opposition from the bishops in 1896 and failed again the next year. Haldane then persuaded A. J. Balfour to bring the Bill forward as a Government measure. It still met with much opposition but was finally carried thanks to a successful speech by Haldane himself which was described by H. H. Asquith and others as one of the very rare examples of a speech in the Commons changing the views and votes of members. In that speech Haldane made use of at least two points derived from Webb (who was at the time in America)—the probability of financial support from the L.C.C. for a reconstituted University of London and the example of the London School of Economics as a centre of teaching in economics which might be brought within the University.

The way was thus already prepared for the recognition of the School even before the 1898 Act was passed and Haldane

helped further by putting Hewins in communication with the Commission appointed to draw up statutes and perform other preliminary work in bringing the new University into existence. Hewins relates in a letter of 22 September 1898 how he had seen Bailey Saunders, Secretary to the Commission several times, had him to lunch, etc. Formal application was duly made and on 16 March 1900 Webb was able to report to the Hutchinson Trustees that the application had been successful. With this recognition went the formation of a new Faculty of Economics, of whose ten members eight were 'recognised teachers' at the London School of Economics including Webb himself.

In 1901 the degrees to be associated with this new Faculty were announced as the B.Sc. (Econ.) and D.Sc. (Econ.), being the first university degrees in the country devoted mainly to the social sciences. The Webbs particularly valued the formal association with science rather than with arts, as recorded in the following extract from Beatrice's diary (20 February 1900):

> We have got the School recognised as a Faculty of Economics, we have secured a site and a building, free of cost, and an income of £2,500 devoted to economics and commercial science. Sidney will be a member of the Faculty and will probably represent the County Council on the Senate. Best of all he has persuaded the Royal Commission to recognise economics as a science and not merely as a subject in the Arts Faculty. The preliminary studies for the economics degree will, therefore, be mathematics and biology. This divorce of economics from metaphysics and shoddy history is a great gain. We have always claimed that the study of the structure and function of society was as much a science as the study of any other form of life, and ought to be pursued by the scientific methods used in other organic sciences. Hypotheses ought to be used, not as the unquestioned premiss from which to deduce an unquestioned conclusion, but as an order of thought to be verified by observation and experiment. Such history as will be taught at the School will be the history of social institutions discovered from documents, statistics and the observation of the actual structure and working of living organisations.

In actual fact the expectation of close association with biology and other natural sciences was never realised and only in the

last year or so have economics and its associated studies ceased to be classified as 'arts' subjects for the purposes of official University statistics.

These developments were supported financially by a new undertaking from the L.C.C. to provide a grant of £2,500 for the support of the new Faculty—in effect for the School. This was part of a total grant to the new University of £10,000, which was regarded as an extension and increase of grants which had been made in previous years to University College, King's College and Bedford College as well as the London School of Economics.

It was not, however, at all Webb's idea that the new grant of £2,500 should simply replace the £1,200 a year which the School had previously been receiving through the T.E.B., and he accordingly applied for the continuation of this direct grant over and above the School's share of the £10,000 to be provided for the new University. On this occasion there was again opposition, now coming partly from Ramsay MacDonald, who was then a member of the L.C.C. MacDonald had earlier criticised the School from the Fabian point of view as being not sufficiently socialist, but he now attacked the L.S.E. as being too much under the control of the Fabian Society and therefore an inappropriate recipient of grants from the County Council. There were also suggestions that both Beatrice and Sidney Webb were receiving an income from the lectures at the School. This, of course, was completely untrue and was a charge which could be very effectively met. The other complaints of socialist influence required more discussion, but Webb was able completely to refute any suggestion that the School was under Fabian Society control or had any obligations to the Society. He circulated figures showing the sources of the financial support, particularly for the new buildings, including of course contributions from such non-socialist figures as Mr. Passmore Edwards and Lord Rothschild, and when in July 1902 the matter came finally to the Council for decision he was able to get approval for the continuance of the £1,200 a year grant over and above the grant paid through the University.

Even this was not quite the end of the difficulty, as allocation

by the University of the grant intended for the support of the Faculty of Economics was also not made without dispute. It was a threat of opposition at a stage of discussion as to whether the whole of the £2,500 should be allocated to the London School of Economics that led to the letters to the Vice-Chancellor of the University in 1903 which have been reproduced in Chapter 1 and in which Webb, concerned to meet the accusation of Fabian inspiration and connections, so carefully under-emphasised the part played by the Hutchinson Trust in founding the School. But in the upshot this regular income was assured to the School.

Simultaneously Webb had been successful in finding support for the financing of a new building of the School's own. Early in 1899 he approached Mr. Passmore Edwards, a Victorian philanthropist much interested in libraries. Passmore Edwards replied cautiously in a letter of 1 February 1899, but agreed to discuss with Webb and by the end of the month had been persuaded to hold out hope of giving £10,000 on certain conditions—recorded as usual by Webb and no doubt drafted by him. These were that there must be adequate provision in the new buildings for evening study; that there must be recognition by the University of all the subjects taught at the School within a new Faculty of Economics; and that there must be support of the new Faculty by the T.E.B. at a rate of not less than £2,500 a year out of its projected annual grant to the University of London. Following the acceptance of these conditions by the University Commission and the assurance of recognition of the School Passmore Edwards at the end of April converted his offer into a firm undertaking incorporated in a Trust Deed between himself and the Bishop of London, Mr. R. B. Haldane and Sidney Webb, acting as Trustees for the London School of Economics Building Fund.

Webb sought also to raise other funds and as usual made use of the Hutchinson Trust to get things moving even before the Passmore Edwards gift was firmly assured. The Trust Minutes of 15 May 1900 record a decision to make a loan of £1,000 to the Building Fund and not exceeding £500 for preliminary and other expenses, no doubt with the idea of recovering the loan if other benefactors came forward in sufficient strength. In

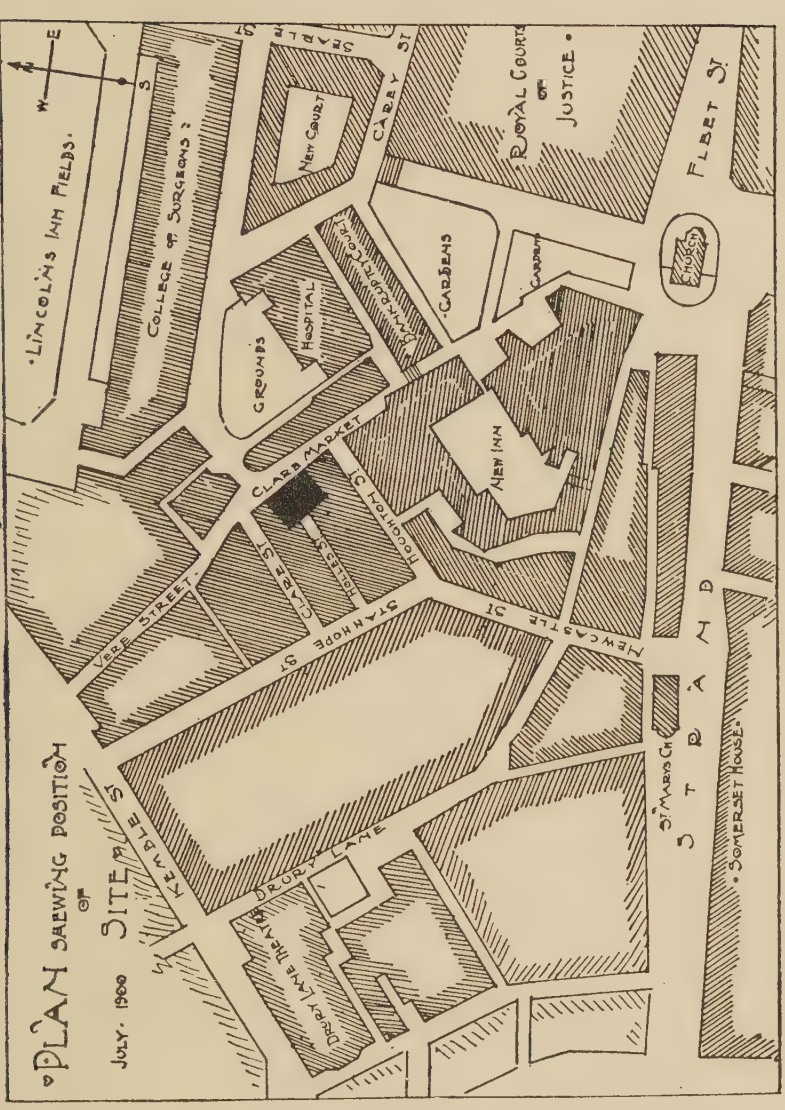
fact only £500 of this loan seems to have been paid over; it was not repaid and in 1903 was converted into a grant. The proceedings of the Trust in this matter are yet another example of Webb's skill in using it as both pump-primer and long-stop.

Webb was fortunate also in finding a site for the new School building. The L.C.C. had then embarked on the substantial new street development and slum clearance which produced Kingsway and Aldwych and had acquired possession of much of the land adjoining these new streets. Webb was once more able to use his position as a member of the L.C.C. to get a site on Clare Market made available, although not without some difficulty. The negotiations are described as follows in an unpublished thesis on the educational work of the Webbs by Mr. R. F. Brennan:

> But more difficult than making Edwards's promise legally binding without, at the same time, giving offence, was the problem of finding a site, or rather getting the site which he had already espied, on favourable terms from the London County Council. This was a lot of some 4,000 square feet in Clare Market, acquired by the Council under its Holborn to the Strand Improvement Scheme and valued at nearly £15,000. Numerous difficulties arose during the course of negotiations with the Technical Education Board and the County Council. There is no evidence of hostility on anyone's part towards letting the School have the site; the difficulties arose over the terms under which the L.S.E. was to hold the land and it is significant that the School became incorporated shortly afterwards. Webb was in a quandary at first as to whether to rent the land at £430 a year, or whether the T.E.B. might be able to purchase the freehold in trust, which would have involved the School in a payment of £500 a year for a period of sixty years. Other stumbling blocks were the question of whether the County Council was empowered to hold land for technical education, if it itself was not the governing body of the institution concerned, and the problem of compensation for interference with ancient lights. After many months of difficult and tortuous negotiations Webb was able to arrive at a settlement—the School was to hold the land 'on permanent loan' from the Council on payment of a peppercorn rent. The Trustees were to erect the building free of any cost to the Council, on the latter's own freehold, thus making the L.C.C. the absolute owner of the premises for ever.

At the time the site still lay in the maze of little streets which were to be cleared away in the Kingsway constructions; the old street plan is shown in the small map printed in the programme of the ceremony of the laying of the foundation stone (reproduced on p. 79). It was still regarded as an insalubrious and disreputable neighbourhood but those concerned were looking ahead and no doubt saw how convenient a situation it would be in the future when the Kingsway reconstruction was completed. The new building was to be known as the Passmore Edwards Hall; it was, as the programme already mentioned proudly claimed, the first new University building to be erected since the University had been reconstituted; and an elaborate foundation-stone-laying ceremony was organised for 2 July 1900. In the Chair was the Earl of Kimberley, first Chancellor of the University of London, the speakers included James (later Lord) Bryce, Sir Henry Pascoe, the Chairman of the L.C.C. and Mr. Passmore Edwards, and the stone was laid by the Bishop of London, Dr. Mandell Creighton, who, on the formal constitution of the School, had become President of the Court of Governors. No doubt was being left on that occasion of the respectable background of the institution!

Funds had not permitted of use being made at once of the whole of the site made available by the L.C.C. and the new Passmore Edwards Hall was built on part only of the site. It remained the objective of the School to accumulate a Building Fund large enough to build on the rest of the site but, apart from some temporary structures, the Passmore Edwards Hall remained 'the School' in its physical sense for twenty years, that is until after the First World War. It was to that building that some of the most senior of the School's present staff came as students and from that basis that the great physical expansion of the inter-war years started. It has been alleged that, in selecting as the design for it the plan submitted by Mr. Maurice Adams, Webb and his colleagues (in particular Garnett as Secretary of the T.E.B.) simply took the design which gave them the greatest amount of usable floor space for the available money. That they were not entirely oblivious of outside appearance is shown by the inclusion in the design



SITE OF SCHOOL BUILDING AS IN 1901

of external decorations in the fashion of the time which, as shown in contemporary illustrations, seem to us absurdly fussy and very remote in feeling; but if they did also pay high regard to utility and economy of space those of us who have since had to face still larger problems of packing the maximum of accommodation on to one of the most congested sites in London will hardly hold it against them as Philistinism but rather admire their realism and determination.

Building had been begun before the formal ceremony of laying the foundation stone in July 1900, and by June 1901 Webb was writing hopefully of being in occupation by the beginning of the next teaching session in October. However, he was disappointed and it was not until May 1902 that the new School of Economics was officially opened by Lord Rosebery, then Chancellor of the reconstituted University of London.[1] There had meanwhile been further financial problems, the cost of the building having risen to £18,000, or £8,000 more than the Passmore Edwards donation. The extra money was raised, largely with a gift of £5,000 from Lord Rothschild, but an attempt to raise a far bigger sum, launched at a Mansion House meeting and supported by Lord Rosebery, failed almost completely.

Meanwhile the third development which formed part of the School's coming of age, the establishment of a formal legal basis for its existence, had been accomplished. There is no evidence whether any thought was given to the possibility of incorporation by Royal Charter, following the example of other educational institutions. In fact recourse was had to the simpler process of incorporation under the Companies Acts as a company limited by guarantee. The necessary application to the Board of Trade was signed by seven members of the School's Advisory Committee (Webb, Alfred Comyns Lyall, William Garnett, Charlotte F. Shaw, Jervaise Athelstane Baines, W. Pember Reeves and Edward W. Whittuck) and on 13 June 1901 the 'Incorporated London School of Economics' was duly registered. The Memorandum and Articles empowered the School to continue its established activities and

[1] An ambitious attempt had been made, through Rosebery, to get King Edward VII to perform the ceremony, but did not succeed.

broadly to do everything appropriate to the development of study and research in the social sciences. It gave the School the usual powers to hold property and by placing all powers of administration and control in the hands of the members of the corporation as Board of Governors, with power to appoint such officers and committees as they thought fit, gave it in fact a highly flexible operating constitution which has proved very convenient in later years of growth and adaptation. Dr. Mandell Creighton was elected first President of the Board and Webb was elected Chairman.

Thus in its seventh year of life the School acquired almost simultaneously a legal, an academic and a physical basis, through its incorporation, its recognition as a part of London University and the acquisition of a permanent and specially designed building. The Hutchinson Trust had still three years to live but its most important work was successfully done.

CHAPTER 8

LATER HISTORY OF THE HUTCHINSON TRUST AND THE CONSTANCE HUTCHINSON TRUST

After the creation of the Trustees of the London School of Economics and later the Administrative Committee the Hutchinson Trustees were no longer in direct control of the School but they continued to meet, regularly if less frequently, and to receive reports on the progress of the School, of the parallel Fabian Society lecture scheme, and of the British Library of Political Science. Altogether they met sixteen or more times between October 1896 and December 1901.

Chapter 2 has told the story of the initial discussions of the relationship between the Trust and the Fabian Society. Shaw's letter of 1 July 1895 was not quite the last expression of dissatisfaction from the Fabian side. In April 1896 Beatrice Webb noted in her diary further criticisms by Ramsay MacDonald and on 24 April 1896 the Fabian Society passed a resolution:

> *Hutchinson Trustees.* That the Hutchinson Trust having been left to promote Fabian aims and being associated with Fabian Society work in the minds of Socialists: This Executive considers that it ought to be informed from time to time of what the Trustees are doing and requests the Trustees to favour it, for the information of its members, with a statement of monies actually spent or voted and an estimate of expenditure during 1896.

This was duly communicated to Webb in a letter from Pease, and, the two of them having met to consider it in their capacity of Hutchinson Trustees, Webb duly replied with information about the transactions of the Trust. No further similar enquiries appear to have been made and no further reports were made by the Trustees to the Society, until the final report made on the legal expiry of the Trust in 1904. This was as follows:

Final Report of Henry Hunt Hutchinson Trustees

The Trustees appointed by the Will of Henry Hutchinson who died on 26 July 1894 were Sidney Webb, Edw. R. Pease, W. S. de Mattos, Wm. Clarke, and Miss Constance Hutchinson.

Changes in the Trustees

On the lamented death of Miss Constance Hutchinson, on 24 November 1895, the surviving trustees appointed as her successor Miss Charlotte Payne Townshend (now Mrs. Bernard Shaw), who had very generously subscribed in aid of the objects of the Trust.

W. S. de Mattos resigned his trusteeship on 13 November 1897, on leaving England for America; and Hubert Bland, the Treasurer of the Fabian Society, was appointed in his stead.

Wm. Clarke resigned on 22 June 1900, owing to his inability to attend meetings in London (he died in 1901) and was succeeded by J. F. L. Whelen.

The Trustees at the close were thus Sidney Webb, Edward R. Pease, Mrs. Bernard Shaw, Hubert Bland, and J. F. L. Whelen. Sidney Webb was each year re-elected as Administrator.[1]

Amount of Trust Fund

The amount of the fund which the Trustees found themselves in possession of, after paying all bequests, charges, etc., was nominally £10,234. 11*s*. 5*d*. but this total was arrived at by reckoning the securities left by Mr. Hutchinson at their then value. The course of prices having since been steadily downward and certain shares proving to have been materially over-valued, these securities and to a small extent others purchased in accordance with legal requirements when realised at different dates, yielded £1,273. 10*s*. 9*d*. less than the original estimated value, thus reducing the available funds to £8,961. To this must be added the sum of £1,429. 3*s*. received in the ten years for interest, making a gross total of £10,390. 3*s*. 8*d*.

The total expenditure has been exactly that amount, the last grant (made to the Trustees of the Fabian Society) having been for the exact balance in hand.

Principles of Administration

The Trustees, after careful deliberation and many enquiries, adopted certain principles for the administration of their Trust.

[1] Webb also acted as Chairman at all the meetings he attended, Bland taking his place on the few occasions when he was absent.

They considered that the intentions of Mr. Hutchinson would be best carried out by the promotion of work of solid educational character, as distinguished from merely political agitation. They felt that it was undesirable merely to multiply or extend the kind of 'street-corner' speaking or popular oratory, of which there was already so much. They placed before them as their object the setting on foot of new kinds of educational activity, which should supply elements then lacking in the promotion of the changes of social organisation to which Mr. Hutchinson attached so much importance. Moreover, they regarded it as of the highest importance so to administer their Trust as not to cause a falling-off in the annual subscriptions to the Fabian Society. There being no fixed subscription by the members of that Society—each being left to pay what he chooses—there was evidently some danger that if the Trustees applied their funds to the ordinary work of the Society, the members would feel that they had no longer the same obligation to subscribe to its funds, and would either reduce their annual payments, or altogether withhold them. In that case, the Trustees would, in effect, have made a present of their trust funds to the individual members of the Society—a result at all hazards to be avoided. The Trustees have therefore always felt it incumbent on them to choose branches of work which were not being paid for out of the subscriptions of these members.

Acting on these principles the Trustees have, throughout the whole ten years of their trusteeship, devoted their funds to six different branches of work, in each of which they are glad to think they have achieved a certain measure of success.

Provincial Lecturing

The Trustees thought it desirable to continue, systematise and extend the lectures which the Fabian Society had previously given in various provincial towns, and in which Mr. Hutchinson had during his lifetime shown his special interest by large subscriptions allocated specifically to this purpose. The 'Hutchinson Trust Lectures', as they were called, were organised by the Executive Committee of the Fabian Society, under the general direction of the Trustees. In order to make them as educationally useful as possible, the plan was adopted of organising them in connected courses of usually four lectures; providing a detailed syllabus; suggesting suitable books to be read; and copying in the main, the successful features in the practice of the University Extension movement. The object was throughout to arouse interest in social problems among

those who had hitherto remained unattracted by the ordinary Socialist, Land Nationalisation or other political propaganda; to convey accurate information on these problems to towns and to classes of persons hitherto unprovided with that information; to fortify the work of Socialist, Land Nationalisation and other organisations by the solid backing of historical and economic knowledge; and generally to raise the intellectual standard of their lecturing. Great attention was paid to the organisation of these lectures. The lecture syllabuses—some of which are annexed to this report—were carefully prepared, and elaborately printed for free distribution. Leading citizens—mayors, M.P.s, ministers of religion, prominent local councillors, and others—were induced to preside. Long reports were often obtained in the local newspapers, and it was sought in every way to make the educational influence of the courses as widely felt as possible. A list of the places where Hutchinson Trust Lectures were given would include almost every important industrial town in Great Britain and Ireland, and in addition a very large number of country towns and manufacturing, mining and other villages in almost every county of England.

This work was carried on, during the winter season, from 1896 to 1904. About 230 courses, comprising nearly 1,000 lectures have been delivered. The Trustees were fortunate in securing the services as lecturers of the late 'Enid Stacey' (Mrs. Percy Widdrington), John S. Hamilton, Harry Snell, J. Ramsay MacDonald, now Secretary of the Labour Representation Committee, S. D. Shallard, J. Bruce Glasier, subsequently Chairman of the I.L.P., Joseph Clayton, and Alderman William Saunders, L.C.C.

The effect of such lecturing work is, by its very nature, difficult to compute. The Trustees believe that the work was successfully organised and well done. It had, on the other hand, the drawback of being ephemeral and leaving no tangible result. Its total cost, 1895–1904, including a final grant to the Trustees of the Fabian Society—after allowing an estimated sum for the other branches of work hereinafter described—may be put at £3,497.

The London School of Economics and Political Science

London was already so largely provided with ordinary lectures that the Trustees thought it undesirable to carry on there the same kind of work as that done in the provincial towns. The work of the Fabian Society had professedly included 'the further investigation of economic problems, and the collection of facts contributing to their elucidation', as well as 'the general dissemination of

knowledge as to the relation between the individual and Society, in its economic, ethical and political aspects'. What seemed to be most gravely needed in the Metropolis for the promotion of the objects on which Mr. Hutchinson had set his heart was the establishment of a centre of economic and social investigation and research, for the discovery of new truth; the organisation of systematic training in public administration, whether governmental or commercial in character; the provision of further instruction, especially of an advanced grade, in economics and political science; and the promotion of the concrete application of these sciences to social problems. Such a task was plainly far beyond the means at the disposal of the Trustees, but it appeared to them that if they took the necessary personal trouble to start such a college, under suitable independent management, and if they provided the initial funds, it would be possible to attract other sources to the work, and thus enable the Trustees to secure their end at a relatively small expense to their own funds. This course was the more desirable as the object of promoting scientific research and the best education could be attained only by securing that the institution should from the first, be run on a strictly 'unsectarian' basis, supported by funds emanating from donors holding different views, and dealing, equally and without bias, with all shades of economic and political opinion.

Without detailing all the long and difficult work done, it may suffice to say that this object has been attained. The London School of Economics and Political Science is now one of the leading educational institutions of the Metropolis; incorporated by Board of Trade licence and administered by its own strong body of governors; admitted as a constituent college of the University of London; having its own building erected at a cost of £20,000; efficiently furnished and equipped; provided with a staff of over 20 professors who have had, this year, over 1,300 students of both sexes. It has already demonstrated its success alike in training administrators and promoting research; some of its students hold high positions in business and the public service; the original researches which it has directly promoted extend to dozens of volumes and hundreds of other publications; and it may now be regarded as firmly established. Incidentally, it has revolutionised the position of economics and political science in the educational world of London. What, ten years ago, could muster only two or three elementary classes, with a few dozen students, is today represented by a distinct faculty of the University, comprising nearly forty professors and lecturers; with B.Sc. and D.Sc. degrees of its own, already both attracting

students and inspiring original work; with a college exclusively devoted to this faculty; and with probably more than a couple of thousand students throughout the Metropolis.[2] This success has been attained mainly at the expense of other funds than those of the trust. Such supporters as Mr. Passmore Edwards and Lord Rothschild, the London County Council and the leading railway and insurance companies have come forward to help in the work. It ought to be mentioned that one of the Trustees has most generously helped from private funds, whilst another, to whom Mr. Hutchinson left £100 for the examination of his unpublished papers, devoted £75 of this sum to the creation and permanent endowment of a 'Hutchinson Medal', which is awarded annually to the best student. The result is that whilst the establishment and the nine years working of the School have involved a total expense of more than £80,000, the total grants by the Hutchinson Trustees (including a final but excluding those applicable to other branches of work hereinafter described) have amounted to £4,888. 17*s*. 10*d*.

The British Library of Political Science

Amongst the objects recommended to the Trustees, by various members of the Fabian Society and others, was the establishment of a specialist library, which should contain, not only a complete collection of Socialist writings, but also every sort of material for the student of economic and social problems. The establishment of such a library seemed to the Trustees an eminently desirable object, but they thought it right to economise their own funds by placing it in close connection with the London School of Economics, where it would obviously be most useful, and to attract the support of other donors.

This object has been most successfully attained. The British Library of Political Science has now nearly 100,000 volumes or other items; and contains already by far the largest and most fully equipped collection in its special subject that exists anywhere in the world, including much (especially in the branches of Trade Unionism, English Municipal administration and the proceedings of Foreign Governments) that is not to be found elsewhere. The total value of the collection cannot be exactly computed, especially as much of it has been given in kind. This value certainly reaches

[2] The Trustees have throughout sought to encourage and assist the education of members of the Fabian Society, in which Mr. Hutchinson took so much interest, by paying half the amount of the class-fees for such members as chose to take advantage of their offer. This has cost, in the 10 years, £104. 19*s*. 3*d*.

£20,000, towards which the Trustees have made grants amounting in all to £500.

Circulating Book-boxes

In order to bring opportunities for education within the reach of those unable to get access to good libraries; and especially for the benefit of local groups of Socialists and Land Nationalisers, Trade Unionists and Co-operators, the Trustees have established an extensive series of Circulating Book-boxes. These have been placed under the administration of the Executive Committee of the Fabian Society, by whom Circulars are periodically issued, inviting applications for their loan at a nominal subscription. The best suitable books on every Economic historical and social subject have been selected quite impartially, so as to present all points of view. These boxes have been supplied to Socialist Societies, Trade Union Branches, Trade Councils, Co-operative Societies, Workmen's Clubs, Mutual Improvement Societies, and other organisations, and boxes specially arranged to Ruskin Hall Classes in order to assist the studies of the students.

Since September 1896, when the first grant was made by the Trustees, the boxes purchased out of these and other funds have been sent out 876 times, and the number of separate organisations supplied is probably about 500.

The Society has at present no less than 140 boxes comprising in all about 3,400 volumes. In addition 4 boxes have been sent out to New Zealand and one to Queensland for use amongst Labour and Socialist Societies there.

Towards the cost of these boxes the Trustees have made grants (including a final grant) of £1,030.

Economic Research

In the field of economic investigation and original research, the Trustees felt that their main work had better be the establishment of a permanent institution, which should form a centre from which original work would go on emanating after their trust had come to an end. Thus, it was one of the main objects with which was established the London School of Economics and Political Science that it should promote and encourage original research in economic and social problems, and its success in that respect has already been referred to. In one case, however, the Trustees directly aided a specific piece of investigation, promoted and managed by the Women's Industrial Council. A valuable series of investigations

into the condition of women in the printing trades was set on foot, and the Trustees, on being applied to, made a grant of £45 partly towards the cost of the work, and partly to ensure that it should be done under the supervision of an efficient statistician. This work has resulted in a useful volume, entitled *Women in the Printing Trades: A Sociological Study*, edited by J. Ramsay MacDonald. (King, 1904, 10*s.* 6*d.*)

Publication and Circulation of Fabian Tracts

On several occasions the Trustees thought it expedient to try the experiment of widely circulating Fabian Tracts to carefully chosen lists of persons, whose opinions it was desired to influence, and amongst whom the Society might recruit new supporters. This measure had the further advantage of enabling the Fabian Society to publish additional tracts, and otherwise extend the range of its influence. Its results were inconclusive, though clearly of some utility. A grant was made in 1900 to enable an important Conference on the Housing Question to be called by the Fabian Society and to defray the cost of printing the valuable Papers read thereat, which subsequently appeared as Tract No. 101, *The House Famine and how to relieve it.* The total grants made for these purposes amounted to £316. 6*s.* 8*d.* These sums, together with £7. 19*s.* 7*d.* expended in Legal expenses, stamps for deeds, Bank charges, etc., make up the exact total of the fund.

The trust was wound up on 24th June 1904.

Signed: Sidney Webb
Edw. R. Pease
Charlotte F. Shaw
Hubert Bland
Frederick Whelen Trustees

3 Clement's Inn,
Strand,
LONDON,
W.C.2.
10 July 1904.

Simultaneously with this report a financial summary of the Trust transactions was prepared for the Charity Commissioners, as follows:

Hutchinson Trust—Formally terminated 17th June 1904

Summary of Receipts and Expenditure during the whole duration of the Trust 1894–1904

Total Receipts 1894–1904

Original Capital (Value of Stocks at Valuation)	£10,234	11	5
Less loss on realisation	1,273	10	9
	8,961	0	8
Plus interest received	1,429	3	0
	£10,390	3	8

Total Disbursements 1894–1904

Provincial Lectures and Circulating Book-Boxes under the Administration of the Executive Committee of the Fabian Society	£4,843	7	0
Contribution to London School of Economics for Lectures and establishment of Library	5,388	17	10
Fees paid for instruction of members of Fabian Society	104	19	3
Contribution to Women's Industrial Council for research as to Women's Labour	45	0	0
Legal Expenses, etc.	7	19	7
	£10,390	3	8

The records enable us to sub-divide the contribution to the London School of Economics (including the British Library of Political Science) as follows:

Periodical contributions to the School 1895–1904	£2,755	–	–
Contribution to School Publications A/c	233	17	10
Payment for lectures by Graham Wallas, 1902–3	200	–	–
Contribution to New Building Fund, 1903	500	–	–
Total contributions to L.S.E. 1895–1904	£3,688	17	10
Contribution to British Library of Political Science	500	–	–
Total: School and Library, 1895–1904	£4,188	17	10
Transfer to Constance Hutchinson Trust for the L.S.E.	1,200	–	–
Total allocated by Hutchinson Trustees to L.S.E. and B.L.P.S.	£5,388	17	10

The winding up of the Trust had, it must be admitted, an element of artifice. There remained in hand £2,441 in securities and cash. The Trustees disposed of this by granting £1,200 to the Constance Hutchinson Trust (as to which see below) on trust (primarily) for the London School of Economics; and by granting £1,241 to the Fabian Society for the purposes of the lecture and book-box schemes formerly assisted by the Trust.

The Constance Hutchinson Trust had been created by the Will of Miss Constance Hutchinson, daughter of Henry Hunt Hutchinson and one of the original Trustees under his Will, who, after leaving to live in America in the autumn of 1894, died there on 24 November 1895. She left the sum of £1,200 to Webb, Clarke and Pease as Trustees, to be spent on purposes broadly similar to, but more accurately defined than, those indicated in her father's will. She had been herself an active sympathiser with Fabianism but it is clear that an additional reason for the legacy was a desire to reimburse the Hutchinson Trustees for the money they had laid out to provide an additional annuity for her mother. (See Chapter 2.) Constance Hutchinson's estate in fact realised less than the £1,200 she had contemplated, the net sum paid over being £1,040.[3]

The purposes of the Constance Hutchinson Trust, drafted without doubt by or in consultation with Webb, included not only the promotion of the interests and objects of the Fabian Society but 'the study of Socialism Economics or any other branch of Social Science or Political Science', and the propagation of socialistic or Economic or Political teaching. Webb and Pease, as Trustees, clearly regarded this smaller fund simply as additional money to be spent, when need arose, for the same purposes as the main Hutchinson Trust; for the time being they placed the money on deposit in the hands of the Hutchinson Trustees, whence it was repaid in 1904. They met formally at long intervals to sanction the continuance of this arrangement; and in 1900, when William Clarke resigned from both sets of Trustees he was replaced on the Constance Hutchinson Trust by Mrs. Bernard Shaw, already a member of the Hutchinson Trust itself.

[3] The cost to the estate of Mrs. Hutchinson's annuity was actually £2,153, so that Constance Hutchinson's legacy only partly reimbursed the Trust.

After 1904 the Constance Hutchinson Trustees continued to operate (though with no formal meetings) until 1924, when they wound up the Trust. In total they disposed of approximately £2,900 capital and interest, of which £2,537 went to the London School of Economics in one way or another, £300 for certain lectures at the School by Graham Wallas, £1,000 in annual grants, £1,000 in a contribution to the Buildings Fund in 1912 and £237 in paying half fees for Fabian students. The remainder, approximately £477, including a residual balance of £430, was given to the Fabian Society.

Thus the total contribution of the two Trusts to the School and the Library combined over the period 1894 to 1924 amounted to £6,488. 17*s*. 10*d*., with a further £342 being used for paying half fees for Fabian Society students at the School. For comparison, the total assistance from the two Trusts combined to Fabian Society activities was £5,320.

The story of the original Hutchinson Trust may appropriately be concluded with the records of approval from two closely interested quarters. In acknowledging the 'winding-up' gift in 1904 the Fabian Society Executive passed unanimously a resolution recording, *inter alia*, 'its approval of the manner in which' the Trustees 'have administered the Hutchinson Trust Fund'. Secondly, Webb apparently sent a copy of the final report to Hutchinson's widow, Mrs. F. Hutchinson, who was still living in Essex; and in acknowledging it, in a letter of 3 August 1904 full of family gossip which implies a continuing friendly relationship, she said, 'I think Mr. Hutchinson would have been quite satisfied with what has been done with the money left in their [the Trustees'] care. I am glad the foundation of something permanent has been laid with it.'

CHAPTER 9

CONCLUSION

WHAT, then, are we to conclude from this story? First, it emphasises the very important part played by the Hutchinson Bequest as a catalyst, if in no other way, in getting the School started. Webb's view is clearly expressed in the note attached to the parcel containing the Hutchinson Trust Minute Book which says: 'This parcel contains the minutes of the Hutchinson Trust of the Constance Hutchinson Trust and is a record of the Formation of the London School of Economics and Political Science.' Possibly the Webbs had had thoughts of an institution of the kind for some time previously. Indeed, it is clear that many other people felt the need of something of the sort. Apart from the comments by the 'Gresham University' Committee in 1894 and the British Association report of the same year the very wide welcome to the establishment of the School which is manifested in the press cuttings carefully preserved in the School archives, indicates that it quite literally met a long-felt want. But nothing happened until the Hutchinson money provided the spark.

Once a beginning was made other backing rapidly grew. It is, however, improbable that Webb could have got, say, the Technical Education Board of the L.C.C. to start an institution of the kind on its own initiative or that he would have thought it at all desirable that such a body should have been in charge of the institution. He had to wait until the School had been started independently before he could ask for help from the Technical Education Board or other authorities. At no time did the Hutchinson money represent more than a small fraction of the School's income but its availability enabled Webb to make a start in a form which kept the institution under the control of himself and his own close associates. For the first year or so all important decisions about the School—the appointment of the Director, leasing of premises, determination

of fees, etc., were made or approved by the Hutchinson Trustees. The first Trustees of the School itself, if they had any legal existence at all, derived their status and authority from a resolution of the Hutchinson Trustees and as they in turn created the first Administrative Committee which in its turn transferred its powers to the incorporated company in which the School finally took formal legal shape in 1901, the line of succession of all subsequent Governors of the School goes back to the Hutchinson Trust. The influence of the Trust is apparent, moreover, in the personnel of the various controlling bodies. Pease and Clarke were not the men Webb would most obviously have chosen from his Fabian colleagues as partners in a spontaneous enterprise of this sort, but once they had been nominated in Hutchinson's Will he carried them (together with Miss Payne Townshend, who had joined the Trustees in place of Constance Hutchinson in 1897) along with him as members of the bodies which were later created—the L.S.E. Trustees, Administrative Committee and Court of Governors and the Library Trustees and Committee.

Early criticism from Shaw, MacDonald and J. W. Martin of the use of a large part of the funds for impartial study rather than propaganda was not supported by the Fabian Executive as a whole; and the association of Pease, Secretary of the Society, with every decision of the Trustees, together with the strong Fabian representation on the School's first Administrative Committee, suggest no lack of cordiality in relations. What happened was really a part of a running argument within the Fabian Society itself about the relative places of research and propaganda. Reviewing the story two generations later we may reasonably concur with the approval expressed by the Fabian Society Executive in 1904 and feel that the Trustees kept a fair balance between basic research and education and assistance to the promulgation of Socialist ideas.

Webb throughout stuck firmly to the principle that what he wanted to promote was honest and unprejudiced research and study. It may well have been that he believed that in the end honest study of society would turn people into Socialists but Beatrice Webb's diaries show how little illusion she and Sidney had about the knowledge and competence of the

ordinary Socialist of the eighteen nineties, and he was clearly convinced that Socialists themselves would not be effective Socialists unless they understood the society they were trying to reform much more fully than they appeared to him to do. The strength of Webb's feeling about socio-economic research is shown in an almost passionate passage in the letter to Mrs. Shaw of 26 January 1899 already referred to. He said:

> . . . only in this path of scientific study lies any hope of remedying social evils, or relieving individual misery. I am furious when I read of bequests to the Poor Box, or the Lifeboat Society, or the Hospitals—it is worth more to discover one tiny improvement that will *permanently* change conditions ever so little for the better than to assuage momentarily the woes of thousands.

He went on to say:

> I am thoroughly satisfied that the experiment [i.e. the School] is successful; that this *is* the way and the only one I know, to build up a great research institution.

In the upshot there can be no doubt that, even in a narrow sense, the existence of the London School of Economics has effectively contributed, as it still does, to the thinking and activity of the Fabian Society and more widely to Socialist thinking in this country and in the world at large. It has not, however, contributed exclusively to Socialist thinking and has perhaps on balance been an influence against rather than for Socialist policies. This was more or less the conclusion reached by Hewins, who said in his 'Apologia of an Imperialist', p. 32:

> This leads me to a question I have been frequently asked since I ceased to be Director of the School of Economics. Do I not think that the School of Economics is a socialistic institution? My answer is that I am sure it is quite definitely not so in intention, in the construction of the programme, or the aims of the lecturers. That charge cannot be brought against the School of Economics any more than against the Universities of Oxford and Cambridge.

From the start the teachers and students at the School were by no means exclusively Socialist in the sense of collectivist. What was and has remained a common bond between them has been the disposition to examine all accepted ideas about social, political and economic institutions and practices and to

consider reforming them if need be. It would possibly be disappointing to the collectivist side of the Webbs' thinking that general opinion in the School, as indeed in the country at large, remains divided about the wisdom of collectivism in the sense of the transfer of powers of detailed decision rather than general regulation from private to public hands. The instinct to reform is, however, as strong as ever.

This study of the facts suggests at least three reasons why the Trustees wanted to avoid publicity. They were apprehensive of the whole bequest being declared invalid; they wanted to avoid open argument with the Fabian Society about their use of the bequest, and they wanted to protect the School, particularly as it attracted more and more outside support and blossomed into a University institution, from accusations of being a mere Socialist propaganda agency.

As to the first point, there were a variety of grounds on which the Will might have been challenged. Hutchinson had been found to have committed suicide while temporarily insane; the Will had been made less than a year before his death and was not very professionally worded (Webb in 1932 described it as 'illiterate'); and Webb and Pease had themselves for long regarded Hutchinson as highly eccentric. Was it, therefore, quite absurd to fear that a Court of Law might hold that he had been incapable of making a valid Will? Some members, at least, of the family were dissatisfied (as is confirmed by letters in the solicitor's file) and Pease stated frankly in 1943 that the annuity to the widow was increased so as to avoid trouble. Finally there was the hint in Haldane's Opinion that the bequest to the Trustees could have been challenged because of the nature of the Fabian Society's objectives.

Thinking back to the atmosphere of the times it is very comprehensible that the Trustees wished to avoid advertising the closeness of the Fabian association with the School. At all relevant times the active Trustees were also members of the effective governing body of the School. But they were also all Fabians and Haldane's reference in his Opinion reflects the suspicions of the general public about the objects of the Fabian Society. The support of the more respectable elements of society in the 1890s might have been jeopardised if it had been

realised that the School was initially founded not only by individual Fabians (that could hardly be concealed) but in the very process of forwarding the ends of the Fabian Society.

On the other side the criticisms voiced during the early stages from within the Society itself made the Trustees anxious to avoid challenge on the grounds that they were not using the funds sufficiently directly in furthering the ends of the Society. Sidney Webb and Edward Pease, who was throughout closely associated with him in every decision, had to navigate very carefully between Scylla and Charybdis and they did not want public criticism at every turn of the navigation. What the record they left does suggest very emphatically is that they performed their difficult task successfully with the firm intention of promoting eminently desirable long-term objects and without any breach of the responsibility which had been put upon them as Trustees.

Fourthly, there is no doubt of the leadership exercised throughout by Sidney Webb. In the major decisions he did not behave as a dictator, but rather took care to carry his fellow Trustees and other colleagues with him in all important decisions; but the School was his idea, the first Director was his selection, all the arrangements for its establishment were made or proposed by him. The Webbs remained continuously active in working out the details in concert with Hewins, as recorded by Hewins himself in the following extract from his 'Apologia of an Imperialist':

> The work proceeded rapidly. This depended mainly upon Sidney and Beatrice Webb and myself, and I shall always look back upon the period during which I worked with them as one of the happiest and most productive in my life. We met almost daily and never had a dispute during the eight years I was so closely associated with them . . . Although we represented different schools of thought and were on different sides of politics, I cannot remember any incident which disturbed the harmony of our relations during those early years or which interfered in any way with the rapid progress of our great undertaking.

Mr. Brennan in the thesis already quoted has summarised the nature of the partnership between Hewins and the Webbs as follows:

All three seem to have reached a working agreement at an early stage in their association—a rough division of labour. Hewins's chief responsibility was the internal organisation of the School. In Sidney's hands lay its financial administration but this line of demarcation was not a hard and fast one, for without overtly interfering in Hewins's sphere, he gave every possible assistance he could to the struggling infant: 'Nothing was too small for him, nothing too laborious, nothing too large, if by doing it he could help the School,' says Lord Beveridge. Study of the early records of the L.S.E. reveals innumerable instances of memoranda or letters in Sidney's handwriting 'dealing with some practical detail of furniture, or building plans, or how to get books or of who might be worth approaching for money'. Just before the opening of the second session Hewins fell ill and Webb found himself with an added load on his shoulders: 'Poor Sidney trudges over there directly after breakfast and spends his mornings with painters, plumbers and locksmiths', declared Beatrice at the time with a trace of justifiable pride. As for Beatrice, her assistance was needed in the everlasting search for further endowments, a quest which often took the form of begging letters to her old 'ball partners'. In addition, she took charge of the housekeeping and became for a time 'Lady Visitor'. Both Beatrice and Sidney were unpaid lecturers at the School for many years and every week a cross-section of staff and students was invited to Grosvenor Road in an effort to foster one aspect of the educational ideal.

It must be stressed again that at no time were the boundaries of the division of labour rigid; there was no trace of rancour when one of the trio overstepped his immediate province. Indeed a mutual interchange of views was encouraged every Tuesday when Hewins lunched at Grosvenor Road:

> 'The whole internal working organisation of the School is left to him [Hewins] with suggestions from Sidney; the whole financial side is in Sidney's hands, whilst my domain has been roping in influential supporters from among old friends and connections . . . he [Hewins] consults Sidney about the curriculum; Sidney tells him the requirements for securing L.C.C., Technical Education Board and University support; I submit to both my little schemes for entertaining various persons likely to be useful. Almost every week since early in October we have had dinners of eight to ten—of lecturers and governors, likely friends and supporters; and students to lunch'.

Edward Pease, in notes written nearly fifty years later, in 1943, said that he himself knew all that went on but did not claim any initiative: 'In the early days of the School,' he said, 'Webb was the sole force.' The records fully confirm that verdict.

Finally the story brings out once more what great results can be achieved by a man who has certain things; an idea, faith and determination and some freedom of action. Webb had an idea, that society could be bettered by study, which to him meant discovery of new knowledge much more than the learning of old. He had faith that if a small start could be made his acorn would grow to a mighty oak, and the determination to find ways through or round the obstacles presented by legal difficulties and the pressures of his own associates. And he had the freedom given by the power to use a significant if not tremendous sum of money. So, with none of the formality of charters and incorporations, of public subscriptions and government grants, boards of trustees and governors he simply went ahead and started his institution. I hope and believe he would be proud to see its achievement and its still vigorous rate of growth today.

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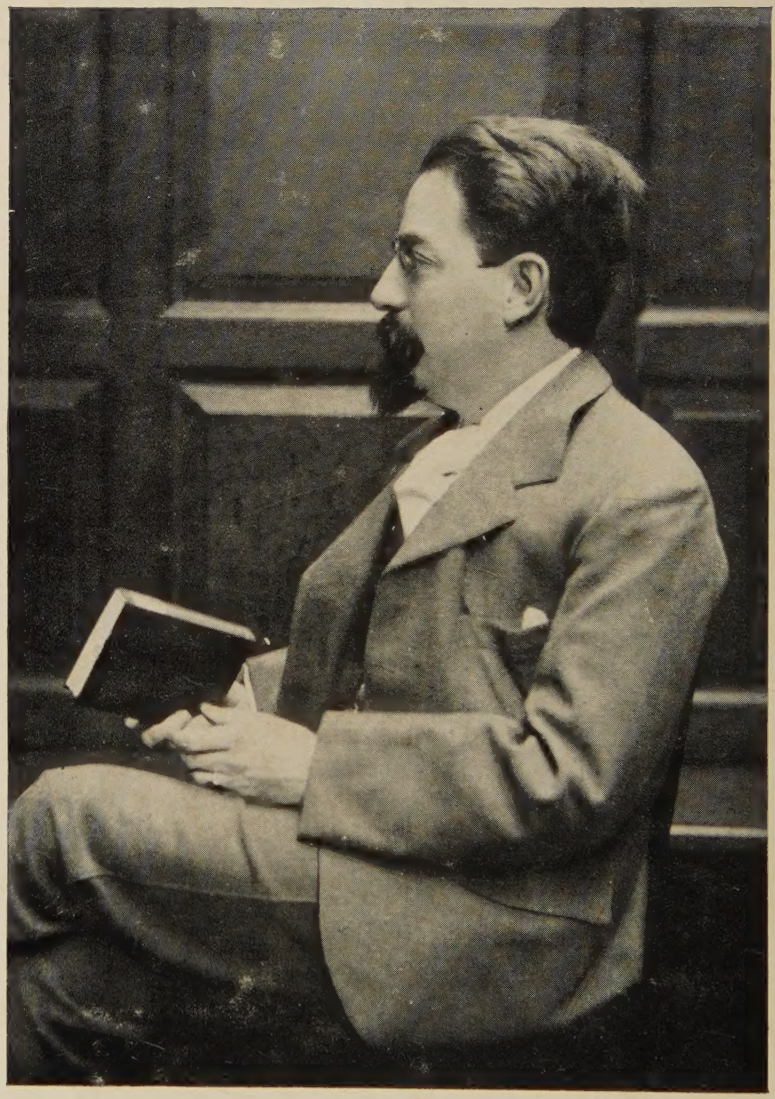

SIDNEY WEBB IN 1891